

# 1040

NOTE: THIS BOOKLET DOES NOT CONTAIN TAX FORMS

## INSTRUCTIONS

Including Instructions for Schedules  
A, C, D, E, F, J, R, and SE

# 2011



makes doing your taxes  
faster and easier.



is the fast, safe, and free  
way to prepare and e-file  
your taxes. See  
[www.irs.gov/freefile](http://www.irs.gov/freefile).

Get a faster refund, reduce errors, and save paper.  
For more information on **IRS e-file** and Free File,  
see Options for e-filing your returns in these  
instructions or click on **IRS e-file** at [IRS.gov](http://IRS.gov).

### NEW FORMS

You may have to report your capital gains and losses on new Form 8949 and report the totals on Schedule D. If you have foreign financial assets, you may have to file new Form 8938.

### MAILING YOUR RETURN

If you file a paper return, you may be mailing it to a different address this year.

### FUTURE DEVELOPMENTS

The IRS has created a page on [IRS.gov](http://IRS.gov) for information about Form 1040 and its instructions at [www.irs.gov/form1040](http://www.irs.gov/form1040). Information about any future developments affecting Form 1040 (such as legislation enacted after we release it) will be posted on that page.

For details on these and other changes, see *What's New* in these instructions.



Department of the Treasury Internal Revenue Service [IRS.gov](http://IRS.gov)

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## A Message From the Commissioner

Dear Taxpayer,

As we enter the 2012 tax filing season, the IRS is always looking to find new and innovative ways to help you get your tax questions answered. The newest is our smartphone application, IRS2Go, which can be downloaded for free. You can do a number of things with this app, such as checking the status of your tax refund or subscribing to tax tips.

We also continue to enhance our website, IRS.gov, which is the most convenient way to get tax information. We also post videos on YouTube to help taxpayers understand their tax obligations. Check these out at [www.youtube.com/irsvideos](http://www.youtube.com/irsvideos). Our news feed on Twitter, @IRSnews, is another excellent source of tax information.

Keep in mind that a number of federal tax incentives that were enacted in 2009 as part of the American Recovery and Reinvestment Act are still in effect for 2011. These include the American opportunity credit and the expanded earned income credit. Make sure to check to see if you qualify for these and other important deductions and credits.

Remember that the fastest, safest and easiest way to get your refund is to *e-file* and use direct deposit. *E-file* has become so popular that nearly eight out of 10 individual taxpayers now *e-file* their return. It's now the first choice for about 112 million taxpayers.

Taxpayers below a certain income level can qualify to use free tax preparation software through the Free File program. Plus, everyone can *e-file* for free using a fillable form available at IRS.gov.

We know that it takes time to prepare and file a tax return, but the IRS wants to help you fulfill your tax obligations and will continue to go the extra mile to provide assistance.

Sincerely,



Douglas H. Shulman

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### The IRS Mission

Provide America's taxpayers top quality service by helping them understand and meet their tax responsibilities and by applying the tax law with integrity and fairness to all.



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Department  
of the  
Treasury

Internal  
Revenue  
Service

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## The Taxpayer Advocate Service Is Here To Help

### Taxpayer Advocate Service

The Taxpayer Advocate Service (TAS) is your voice at the IRS. Our job is to ensure that every taxpayer is treated fairly, and that you know and understand your rights. We offer free help to guide you through the often-confusing process of resolving tax problems that you haven't been able to solve on your own. Remember, the worst thing you can do is nothing at all!

TAS can help if you can't resolve your problem with the IRS and:

- Your problem is causing financial difficulties for you, your family, or your business.
- You face (or your business is facing) an immediate threat of adverse action.
- You've tried repeatedly to contact the IRS but no one has responded to you, or the IRS hasn't responded by the date promised.

If you qualify for our help, we'll do everything we can to get your problem resolved. You'll be assigned to one advocate who will be with you at every turn. We have offices in every state, the District of Columbia, and Puerto Rico. Although TAS is independent within the IRS, our advocates know how to work with the IRS to get your problems resolved. And our services are always free.

As a taxpayer, you have rights that the IRS must abide by in its dealings with you. Our online tax toolkit at [www.TaxpayerAdvocate.irs.gov](http://www.TaxpayerAdvocate.irs.gov) can help you understand these rights.

If you think TAS might be able to help you, call your local advocate, whose number is in your phone book and on our website at [www.irs.gov/advocate](http://www.irs.gov/advocate). You can also call our toll-free number at 1-877-777-4778.

TAS also handles large-scale or systemic problems that affect many taxpayers. If you know of one of these broad issues, please report it to us through our Systemic Advocacy Management System at [www.irs.gov/advocate](http://www.irs.gov/advocate).

### Low Income Taxpayer Clinics

Low Income Taxpayer Clinics (LITCs) are independent from the IRS. Some clinics serve individuals whose income is below a certain level and who need to resolve a tax problem. These clinics provide professional representation before the IRS or in court on audits, appeals, tax collection disputes, and other issues for free or for a small fee. Some clinics can provide information about taxpayer rights and responsibilities in many different languages for individuals who speak English as a second language. For more information and to find a clinic near you, see the LITC page on [www.irs.gov/advocate](http://www.irs.gov/advocate) or *IRS Publication 4134, Low Income Taxpayer Clinic List*. This publication is also available by calling 1-800-829-3676 or at your local IRS office.

## Suggestions for Improving the IRS

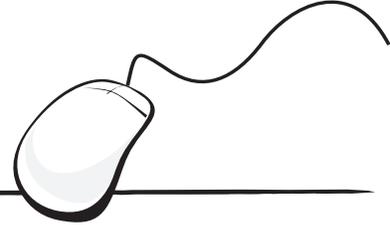
### Taxpayer Advocacy Panel

Have a suggestion for improving the IRS and do not know who to contact? The Taxpayer Advocacy Panel (TAP) is a diverse group of citizen volunteers who listen to taxpayers, identify taxpayers' issues, and make suggestions for improving IRS service and customer satisfaction. The panel is demographically and geographically diverse, with at least one member from each state, the District of Columbia, and Puerto Rico. Contact TAP at [www.improveirs.org](http://www.improveirs.org) or 1-888-912-1227 (toll-free).

# Options for e-filing your returns—safely, quickly, and easily.

## Why do 80% of Americans file their taxes electronically?

- *Security*—The IRS uses the latest encryption technology to safeguard your information.
- *Flexible Payments*—File early; pay by April 17.
- *Greater Accuracy*—Fewer errors mean faster processing.
- *Quick Receipt*—Receive an acknowledgment that your return was accepted.
- *Go Green*—Reduce the amount of paper used.
- *It's Free*—through Free File.
- *Faster Refunds*—Get your refund faster by e-filing using direct deposit.



## IRS e-file: It's Safe. It's Easy. It's Time.

Joining the 110 million Americans who already are using e-file is easy. Just ask your paid or volunteer tax preparer, use commercial software, or use Free File. IRS e-file is the safest, most secure way to transmit your tax return to the IRS. Since 1990, the IRS has processed more than 1 billion e-filed tax returns safely and securely. There's no paper return to be lost or stolen.

Starting January 1, 2012, many tax return preparers will be required to use IRS e-file. If you are asked if you want to e-file, just give it a try. IRS e-file is now the norm, not the exception. Most states also use electronic filing.

### Free e-file Help Available Nationwide

Volunteers are available in communities nationwide providing free tax assistance to low to moderate income (generally under \$50,000 in adjusted gross income) and elderly taxpayers (age 60 and older). At selected sites, taxpayers can input and electronically file their own tax return with the assistance from an IRS-certified volunteer.

See *Free Tax Return Assistance* near the end of these instructions for additional information or visit [IRS.gov](http://IRS.gov) (Keyword: VITA) for a VITA/TCE site near you!



## Everyone Can Free File

If your adjusted gross income was \$57,000 or less in 2011, you can use free tax software to prepare and e-file your tax return. Earned more? Use Free File Fillable Forms.

**Free File.** This public-private partnership, between the IRS and tax software providers, makes approximately 20 popular commercial software products and e-file available for free. Seventy percent of the nation's taxpayers are eligible.

Just visit [www.irs.gov/freefile](http://www.irs.gov/freefile) for details. Free File combines all the benefits of e-file and easy-to-use software at no cost. Guided questions will help ensure you get all the tax credits and deductions you are due. It's fast, safe, and free.

You can review each provider's eligibility rules or use an online tool to find those software products that match your situation. Some providers offer state tax return preparation either for a fee or for free. Free File also is available in English and Spanish.

**Free File Fillable Forms.** The IRS offers electronic versions of IRS paper forms that also can be e-filed for free. Free File Fillable Forms is best for people experienced in preparing their own tax returns. There are no income limitations. Free File Fillable Forms does basic math calculations. It supports only federal tax forms.

IRS.gov is the gateway to all electronic services offered by the IRS, as well as the spot to download forms if you should choose to file a paper return.

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# What's New

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For information about any additional changes to the 2011 tax law or any other developments affecting Form 1040 or its instructions, go to [www.irs.gov/form1040](http://www.irs.gov/form1040).

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**Due date of return.** File Form 1040 by April 17, 2012. The due date is April 17, instead of April 15, because April 15 is a Sunday and April 16 is the Emancipation Day holiday in the District of Columbia.

**Capital gains and losses.** In most cases, you must report your capital gains and losses on new Form 8949 and report the totals on Schedule D. If you sold a covered security in 2011, your broker will send you a Form 1099-B (or substitute statement) that shows your basis. This will help you complete Form 8949. Generally, a covered security is a security acquired after 2010. See the instructions for line 13.

**Self-employed health insurance deduction.** This deduction is no longer allowed on Schedule SE. However, you can still take it on Form 1040, line 29. See the instructions for line 29 for more information about this deduction.

**Alternative minimum tax (AMT) exemption amount increased.** The AMT exemption amount has increased to \$48,450 (\$74,450 if married filing jointly or a qualifying widow(er); \$37,225 if married filing separately).

**First-time homebuyer credit.** To claim the first-time homebuyer credit for 2011, you (or your spouse if married) must have been a member of the uniformed services or Foreign Service or an employee of the intelligence community on qualified official extended duty outside the United States for at least 90 days during the period beginning

after December 31, 2008, and ending before May 1, 2010. See the instructions for line 67.

**Repayment of first-time homebuyer credit.** If you have to repay the credit, you may be able to do so without attaching Form 5405. See the instructions for line 59b.

**Standard mileage rates.** The 2011 rate for business use of your vehicle is increased to 51 cents a mile (55½ cents a mile after June 30, 2011). The 2011 rate for use of your vehicle to get medical care or to move is increased to 19 cents a mile (23½ cents a mile after June 30, 2011). In addition, beginning in 2011, you may use the business standard mileage rate for a vehicle used for hire, such as a taxicab.

**Roth IRAs.** If you converted or rolled over an amount to a Roth IRA in 2010 and did not elect to report the taxable amount on your 2010 return, you generally must report half of it on your 2011 return and the rest on your 2012 return. Report the amount that is taxable on your 2011 return on line 15b (for conversions from IRAs) or 16b (for rollovers from qualified retirement plans, other than from a designated Roth account). See the instructions for lines 15a and 15b and lines 16a and 16b.

**Designated Roth accounts.** If you rolled over an amount from a 401(k) or 403(b) plan to a designated Roth account in 2010 and did not elect to report the taxable amount on your 2010 return, you generally

must report half of it on your 2011 return and the rest on your 2012 return. See the instructions for lines 16a and 16b.

**Health savings accounts (HSAs) and Archer MSAs.** The additional tax on distributions from HSAs and Archer MSAs not used for qualified medical expenses has increased to 20% for distributions after 2010. See Form 8889 or Form 8853 (and the instructions) for details.

**Foreign financial assets.** If you had foreign financial assets in 2011, you may have to file new Form 8938 with your return. Check [www.irs.gov/form8938](http://www.irs.gov/form8938) for details.

**Schedule L.** Schedule L is no longer in use. You do not need it to figure your 2011 standard deduction. Instead, see the instructions for line 40.

**Expired tax benefits.** The making work pay credit has expired. You cannot claim it on your 2011 return. Schedule M is no longer in use.

You cannot claim the alternative motor vehicle credit for a vehicle you bought after 2010, unless the vehicle is a new fuel cell motor vehicle. See Form 8910 and its instructions.

**Mailing your return.** If you are filing a paper return, you may be mailing it to a different address this year because the IRS has changed the filing location for several areas. See *Where Do You File?* at the end of these instructions.

# Filing Requirements

These rules apply to all U.S. citizens, regardless of where they live, and resident aliens.



Have you tried IRS e-file? It's the fastest way to get your refund and it's free if you are eligible. Visit IRS.gov for details.

## Do You Have To File?

Use Chart A, B, or C to see if you must file a return. U.S. citizens who lived in or had income from a U.S. possession should see Pub. 570. Residents of Puerto Rico can use TeleTax topic 901 to see if they must file.



*Even if you do not otherwise have to file a return, you should file one to get a refund of any federal income tax withheld.*

You should also file if you are eligible for any of the following credits.

- Earned income credit.
- Additional child tax credit.
- American opportunity credit.
- First-time homebuyer credit.
- Credit for federal tax on fuels.
- Adoption credit.
- Refundable credit for prior year minimum tax.
- Health coverage tax credit.

See Pub. 501 for details. Also see Pub. 501 if you do not have to file but received a Form 1099-B (or substitute statement).

**Exception for certain children under age 19 or full-time students.** If certain conditions apply, you can elect to include on your return the income of a child who was under age 19 at the end of 2011 or was a full-time student under age 24 at the end of 2011. To do so, use Form 8814. If you make this election, your child does not have to file a return. For details, use TeleTax topic 553 or see Form 8814.

A child born on January 1, 1988, is considered to be age 24 at the end of 2011. Do not use Form 8814 for such a child.

**Resident aliens.** These rules also apply if you were a resident alien. Also, you may qualify for certain tax treaty benefits. See Pub. 519 for details.

**Nonresident aliens and dual-status aliens.** These rules also apply if you were a nonresident alien or a dual-status alien and both of the following apply.

- You were married to a U.S. citizen or resident alien at the end of 2011.

- You elected to be taxed as a resident alien. See Pub. 519 for details.



*Specific rules apply to determine if you are a resident alien, nonresident alien, or dual-status alien. Most nonresident aliens and dual-status aliens have different filing requirements and may have to file Form 1040NR or Form 1040NR-EZ. Pub. 519 discusses these requirements and other information to help aliens comply with U.S. tax law, including tax treaty benefits and special rules for students and scholars.*

## When and Where Should You File?

File Form 1040 by **April 17, 2012**. (The due date is April 17, instead of April 15, because April 15 is a Sunday and April 16 is the Emancipation Day holiday in the District of Columbia). If you file after this date, you may have to pay interest and penalties. See *Interest and Penalties*, later.

If you were serving in, or in support of, the U.S. Armed Forces in a designated combat zone or contingency operation, you may be able to file later. See Pub. 3 for details.

Filing instructions and addresses are at the end of these instructions.

## What if You Cannot File on Time?

You can get an automatic 6-month extension (to October 15, 2012) if, no later than the date your return is due, you file Form 4868. For details, see Form 4868.



*An automatic 6-month extension to file does not extend the time to pay your tax. If you do not pay your tax by the original due date of your return, you will owe interest on the unpaid tax and may owe penalties. See Form 4868.*

If you are a U.S. citizen or resident alien, you may qualify for an automatic extension of time to file without filing Form 4868. You qualify if, on the due date of your return, you meet one of the following conditions.

- You live outside the United States and Puerto Rico and your main place of business or post of duty is outside the United States and Puerto Rico.
- You are in military or naval service on duty outside the United States and Puerto Rico.

This extension gives you an extra 2 months to file and pay the tax, but interest will be charged from the original due date of the return on any unpaid tax. You must include a statement showing that you meet the requirements. If you are still unable to file your return by the end of the 2-month period, you can get an additional 4 months if, no later than June 15, 2012, you file Form 4868. This 4-month extension of time to file does not extend the time to pay your tax. See Form 4868.

## Private Delivery Services

You can use certain private delivery services designated by the IRS to meet the "timely mailing as timely filing/paying" rule for tax returns and payments. These private delivery services include only the following.

- DHL Express (DHL): DHL Same Day Service.
- Federal Express (FedEx): FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
- United Parcel Service (UPS): UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.

The private delivery service can tell you how to get written proof of the mailing date.

## Chart A—For Most People

IF your filing status is . . .	AND at the end of 2011 you were* . . .	THEN file a return if your gross income** was at least . . .
Single (see the instructions for line 1)	under 65 65 or older	\$9,500 10,950
Married filing jointly*** (see the instructions for line 2)	under 65 (both spouses) 65 or older (one spouse) 65 or older (both spouses)	\$19,000 20,150 21,300
Married filing separately (see the instructions for line 3)	any age	\$3,700
Head of household (see the instructions for line 4)	under 65 65 or older	\$12,200 13,650
Qualifying widow(er) with dependent child (see the instructions for line 5)	under 65 65 or older	\$15,300 16,450

\*If you were born on January 1, 1947, you are considered to be age 65 at the end of 2011.

\*\***Gross income** means all income you received in the form of money, goods, property, and services that is not exempt from tax, including any income from sources outside the United States or from the sale of your main home (even if you can exclude part or all of it). Do not include any social security benefits unless (a) you are married filing a separate return and you lived with your spouse at any time in 2011 or (b) one-half of your social security benefits plus your other gross income and any tax-exempt interest is more than \$25,000 (\$32,000 if married filing jointly). If (a) or (b) applies, see the instructions for lines 20a and 20b to figure the taxable part of social security benefits you must include in gross income. Gross income includes gains, but not losses, reported on Form 8949. Gross income from a business means, for example, the amount on Schedule C, line 7, or Schedule F, line 9. But, in figuring gross income, do not reduce your income by any losses, including any loss on Schedule C, line 7, or Schedule F, line 9.

\*\*\*If you did not live with your spouse at the end of 2011 (or on the date your spouse died) and your gross income was at least \$3,700, you must file a return regardless of your age.

**Chart B—For Children and Other Dependents** (See the instructions for line 6c to find out if someone can claim you as a dependent.)

If your parent (or someone else) can claim you as a dependent, use this chart to see if you must file a return.

In this chart, **unearned income** includes taxable interest, ordinary dividends, and capital gain distributions. It also includes unemployment compensation, taxable social security benefits, pensions, annuities, and distributions of unearned income from a trust. **Earned income** includes salaries, wages, tips, professional fees, and taxable scholarship and fellowship grants. **Gross income** is the total of your unearned and earned income.

**Single dependents.** Were you **either** age 65 or older **or** blind?

- No.** You must file a return if **any** of the following apply.
- Your unearned income was over \$950.
  - Your earned income was over \$5,800.
  - Your gross income was more than the **larger** of—
    - \$950, or
    - Your earned income (up to \$5,500) plus \$300.
- Yes.** You must file a return if **any** of the following apply.
- Your unearned income was over \$2,400 (\$3,850 if 65 or older **and** blind).
  - Your earned income was over \$7,250 (\$8,700 if 65 or older **and** blind).
  - Your gross income was more than the **larger** of—
    - \$2,400 (\$3,850 if 65 or older **and** blind), or
    - Your earned income (up to \$5,500) plus \$1,750 (\$3,200 if 65 or older **and** blind).

**Married dependents.** Were you **either** age 65 or older **or** blind?

- No.** You must file a return if **any** of the following apply.
- Your unearned income was over \$950.
  - Your earned income was over \$5,800.
  - Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
  - Your gross income was more than the **larger** of—
    - \$950, or
    - Your earned income (up to \$5,500) plus \$300.
- Yes.** You must file a return if **any** of the following apply.
- Your unearned income was over \$2,100 (\$3,250 if 65 or older **and** blind).
  - Your earned income was over \$6,950 (\$8,100 if 65 or older **and** blind).
  - Your gross income was at least \$5 and your spouse files a separate return and itemizes deductions.
  - Your gross income was more than the **larger** of—
    - \$2,100 (\$3,250 if 65 or older **and** blind), or
    - Your earned income (up to \$5,500) plus \$1,450 (\$2,600 if 65 or older **and** blind).

**Chart C—Other Situations When You Must File**

You must file a return if any of the four conditions below apply for 2011.

1. You owe any special taxes, including any of the following.
  - a. Alternative minimum tax.
  - b. Additional tax on a qualified plan, including an individual retirement arrangement (IRA), or other tax-favored account. But if you are filing a return only because you owe this tax, you can file **Form 5329** by itself.
  - c. Household employment taxes. But if you are filing a return only because you owe this tax, you can file **Schedule H** by itself.
  - d. Social security and Medicare tax on tips you did not report to your employer or on wages you received from an employer who did not withhold these taxes.
  - e. Recapture of first-time homebuyer credit. See the instructions for line 59b.
  - f. Write-in taxes, including uncollected social security and Medicare or RRTA tax on tips you reported to your employer or on group-term life insurance and additional taxes on health savings accounts. See the instructions for line 60.
  - g. Recapture taxes. See the instructions for line 44 and line 60.
2. You (or your spouse, if filing jointly) received HSA, Archer MSA, or Medicare Advantage MSA distributions.
3. You had net earnings from self-employment of at least \$400.
4. You had wages of \$108.28 or more from a church or qualified church-controlled organization that is exempt from employer social security and Medicare taxes.

# Where To Report Certain Items From 2011 Forms W-2, 1097, 1098, and 1099



IRS e-file takes the guesswork out of preparing your return. You may also be eligible to use Free File to file your federal income tax return. Visit [www.irs.gov/efile](http://www.irs.gov/efile) for details.

If any federal income tax withheld is shown on these forms, include the tax withheld on Form 1040, line 62. If you itemize your deductions and any state or local income tax withheld is shown on these forms, include the tax withheld on Schedule A, line 5, unless you elect to deduct state and local general sales taxes.

Form	Item and Box in Which It Should Appear	Where To Report
W-2	Wages, tips, other compensation (box 1) Allocated tips (box 8) Dependent care benefits (box 10) Adoption benefits (box 12, code T) Employer contributions to an Archer MSA (box 12, code R) Employer contributions to a health savings account (box 12, code W) Uncollected social security and Medicare or RRTA tax (box 12, code A, B, M, or N)	Form 1040, line 7 See <i>Wages, Salaries, Tips, etc.</i> Form 2441, Part III Form 8839, line 16 Form 8853, line 1  Form 8889, line 9  See the instructions for Form 1040, line 60
W-2G	Gambling winnings (box 1)	Form 1040, line 21 (Schedule C or C-EZ for professional gamblers)
1097-BTC	Bond tax credit	See Form 8912 and its instructions
1098	Mortgage interest (box 1) Points (box 2) Refund of overpaid interest (box 3) Mortgage insurance premiums (box 4)	Schedule A, line 10, but first see the instructions on Form 1098* Form 1040, line 21, but first see the instructions on Form 1098* See the instructions for Schedule A, line 13*
1098-C	Contributions of motor vehicles, boats, and airplanes	Schedule A, line 17
1098-E	Student loan interest (box 1)	See the instructions for Form 1040, line 33*
1098-MA	Homeowner mortgage payments (box 3)	Schedule A, line 10, but first see the instructions on Form 1098-MA
1098-T	Qualified tuition and related expenses (box 1)	See the instructions for Form 1040, line 34, or Form 1040, line 49; but first see the instructions on Form 1098-T*
1099-A	Acquisition or abandonment of secured property	See Pub. 4681
1099-B	Sales price of stocks, bonds, etc. (box 2), cost or other basis (box 3), and wash sale loss disallowed (box 5) Aggregate profit or (loss) on contracts (box 13) Bartering (box 14)	Form 8949, but first see the Instructions for Schedule D  Form 6781, line 1 See Pub. 525
1099-C	Canceled debt (box 2)	See Pub. 4681
1099-DIV	Total ordinary dividends (box 1a) Qualified dividends (box 1b) Total capital gain distributions (box 2a) Unrecaptured section 1250 gain (box 2b) Section 1202 gain (box 2c)  Collectibles (28%) gain (box 2d) Nondividend distributions (box 3) Investment expenses (box 5) Foreign tax paid (box 6)	Form 1040, line 9a See the instructions for Form 1040, line 9b Form 1040, line 13, or, if required, Schedule D, line 13 See the instructions for Schedule D, line 19 See <i>Exclusion of Gain on Qualified Small Business (QSB) Stock</i> in the instructions for Schedule D See the instructions for Schedule D, line 18 See the instructions for Form 1040, line 9a Schedule A, line 23 Form 1040, line 47, or Schedule A, line 8; but first see the instructions for line 47
1099-G	Unemployment compensation (box 1) State or local income tax refunds, credits, or offsets (box 2) ATAA/RTAA payments (box 5) Taxable grants (box 6) Agriculture payments (box 7) Market gain (box 9)	See the instructions for Form 1040, line 19 See the instructions for Form 1040, line 10, and if box 8 on Form 1099-G is checked, see the box 8 instructions Form 1040, line 21 Form 1040, line 21* See the Instructions for Schedule F or Pub. 225* See the Instructions for Schedule F

\*If the item relates to an activity for which you are required to file Schedule C, C-EZ, E, or F or Form 4835, report the taxable or deductible amount allocable to the activity on that schedule or form instead.

Form	Item and Box in Which It Should Appear	Where To Report
1099-INT	Interest income (box 1) Early withdrawal penalty (box 2) Interest on U.S. savings bonds and Treasury obligations (box 3) Investment expenses (box 5) Foreign tax paid (box 6)  Tax-exempt interest (box 8) Specified private activity bond interest (box 9)	See the instructions for Form 1040, line 8a Form 1040, line 30 See the instructions for Form 1040, line 8a  Schedule A, line 23 Form 1040, line 47, or Schedule A, line 8; but first see the instructions for line 47 Form 1040, line 8b Form 6251, line 12
1099-K	Merchant card/third party network payments	Schedule C, C-EZ, E, or F
1099-LTC	Long-term care and accelerated death benefits	See Pub. 525 and the Instructions for Form 8853
1099-MISC	Rents (box 1) Royalties (box 2)  Other income (box 3) Nonemployee compensation (box 7)  Excess golden parachute payments (box 13) Other (boxes 5, 6, 8, 9, 10, 14, and 15b)	See the Instructions for Schedule E* See the Instructions for Schedule E* (for timber, coal, and iron ore royalties, see Pub. 544)* Form 1040, line 21* Schedule C, C-EZ, or F; but if you were not self-employed, see the instructions on Form 1099-MISC See the instructions for Form 1040, line 60 See the instructions on Form 1099-MISC
1099-OID	Original issue discount (box 1) Other periodic interest (box 2) } Early withdrawal penalty (box 3) Original issue discount on U.S. Treasury obligations (box 6) Investment expenses (box 7)	See the instructions on Form 1099-OID Form 1040, line 30 See the instructions on Form 1099-OID  Schedule A, line 23
1099-PATR	Patronage dividends and other distributions from a cooperative (boxes 1, 2, 3, and 5) Domestic production activities deduction (box 6) Credits and other deductions (boxes 7, 8, and 10) Patron's AMT adjustment (box 9)	Schedule C, C-EZ, or F or Form 4835; but first see the instructions on Form 1099-PATR Form 8903, line 23 See the instructions on Form 1099-PATR Form 6251, line 27
1099-Q	Qualified education program payments	See the instructions for Form 1040, line 21
1099-R	Distributions from IRAs** Distributions from pensions, annuities, etc. Capital gain (box 3)	See the instructions for Form 1040, lines 15a and 15b See the instructions for Form 1040, lines 16a and 16b See the instructions on Form 1099-R
1099-S	Gross proceeds from real estate transactions (box 2) Buyer's part of real estate tax (box 5)	Form 4797, Form 6252, Form 8824, or Form 8949  See the instructions for Schedule A, line 6*
1099-SA	Distributions from health savings accounts (HSAs) Distributions from MSAs***	Form 8889, line 14a Form 8853

\*If the item relates to an activity for which you are required to file Schedule C, C-EZ, E, or F or Form 4835, report the taxable or deductible amount allocable to the activity on that schedule or form instead.

\*\*This includes distributions from Roth, SEP, and SIMPLE IRAs.

\*\*\*This includes distributions from Archer and Medicare Advantage MSAs.

# Line Instructions for Form 1040



IRS *e-file* takes the guesswork out of preparing your return. You may also be eligible to use Free File to file your federal income tax return. Visit [www.irs.gov/efile](http://www.irs.gov/efile) for details.

Section references are to the Internal Revenue Code.

## Name and Address

Print or type the information in the spaces provided. If you are married filing a separate return, enter your spouse's name on line 3 instead of below your name.



*If you filed a joint return for 2010 and you are filing a joint return for 2011 with the same spouse, be sure to enter your names and SSNs in the same order as on your 2010 return.*

### Name Change

If you changed your name because of marriage, divorce, etc., be sure to report the change to the Social Security Administration (SSA) before filing your return. This prevents delays in processing your return and issuing refunds. It also safeguards your future social security benefits.

### Address Change

If you plan to move after filing your return, use Form 8822 to notify the IRS of your new address.

### P.O. Box

Enter your box number only if your post office does not deliver mail to your home.

### Foreign Address

If you have a foreign address, enter the city name on the appropriate line. Do not enter any other information on that line, but also complete the spaces below that line. Do not abbreviate the country name. Follow the country's practice for entering the postal code and the name of the province, county, or state.

### Death of a Taxpayer

See *Death of a Taxpayer* under *General Information*, later.

## Social Security Number (SSN)

An incorrect or missing SSN can increase your tax, reduce your refund, or delay your refund. To apply for an SSN, fill in Form SS-5 and return it, along with the appropriate evidence documents, to the Social Security Administration (SSA). You can get

Form SS-5 online at [www.socialsecurity.gov](http://www.socialsecurity.gov), from your local SSA office, or by calling the SSA at 1-800-772-1213. It usually takes about 2 weeks to get an SSN once the SSA has all the evidence and information it needs.

Check that both the name and SSN on your Forms 1040, W-2, and 1099 agree with your social security card. If they do not, certain deductions and credits on your Form 1040 may be reduced or disallowed and you may not receive credit for your social security earnings. If your Form W-2 shows an incorrect SSN or name, notify your employer or the form-issuing agent as soon as possible to make sure your earnings are credited to your social security record. If the name or SSN on your social security card is incorrect, call the SSA.

## IRS Individual Taxpayer Identification Numbers (ITINs) for Aliens

If you are a nonresident or resident alien and you do not have and are not eligible to get an SSN, you must apply for an ITIN. For details on how to do so, see Form W-7 and its instructions. It takes 6 to 10 weeks to get an ITIN.

If you already have an ITIN, enter it wherever your SSN is requested on your tax return.

**Note.** An ITIN is for tax use only. It does not entitle you to social security benefits or change your employment or immigration status under U.S. law.

## Nonresident Alien Spouse

If your spouse is a nonresident alien, he or she must have either an SSN or an ITIN if:

- You file a joint return,
- You file a separate return and claim an exemption for your spouse, or
- Your spouse is filing a separate return.

## Presidential Election Campaign Fund

This fund helps pay for Presidential election campaigns. The fund reduces candidates' dependence on large contributions from individuals and groups and places candidates on an equal financial footing in the general election. If you want \$3 to go to

this fund, check the box. If you are filing a joint return, your spouse can also have \$3 go to the fund. If you check a box, your tax or refund will not change.

## Filing Status

Check only the filing status that applies to you. The ones that will usually give you the lowest tax are listed last.

- Married filing separately.
- Single.
- Head of household.
- Married filing jointly or qualifying widow(er) with dependent child.



*More than one filing status can apply to you. Choose the one that will give you the lowest tax.*

## Line 1 Single

You can check the box on line 1 if any of the following was true on December 31, 2011.

- You were never married.
- You were legally separated according to your state law under a decree of divorce or separate maintenance. But if, at the end of 2011, your divorce was not final (an interlocutory decree), you are considered married and cannot check the box on line 1.
- You were widowed before January 1, 2011, and did not remarry before the end of 2011. But if you have a dependent child, you may be able to use the qualifying widow(er) filing status. See the instructions for line 5.

## Line 2 Married Filing Jointly

You can check the box on line 2 if any of the following apply.

- You were married at the end of 2011, even if you did not live with your spouse at the end of 2011.
- Your spouse died in 2011 and you did not remarry in 2011.

• You were married at the end of 2011, and your spouse died in 2012 before filing a 2011 return.

For federal tax purposes, a marriage means only a legal union between a man and a woman as husband and wife, and the word “spouse” means a person of the opposite sex who is a husband or a wife. A husband and wife filing jointly report their combined income and deduct their combined allowable expenses on one return. They can file a joint return even if only one had income or if they did not live together all year. However, both persons must sign the return. Once you file a joint return, you cannot choose to file separate returns for that year after the due date of the return.

**Joint and several tax liability.** If you file a joint return, both you and your spouse are generally responsible for the tax and interest or penalties due on the return. This means that if one spouse does not pay the tax due, the other may have to. Or, if one spouse does not report the correct tax, both spouses may be responsible for any additional taxes assessed by the IRS. You may want to file separately if:

- You believe your spouse is not reporting all of his or her income, or

- You do not want to be responsible for any taxes due if your spouse does not have enough tax withheld or does not pay enough estimated tax.

See the instructions for line 3. Also see *Innocent Spouse Relief* under *General Information*, later.

**Nonresident aliens and dual-status aliens.** Generally, a husband and wife cannot file a joint return if either spouse is a nonresident alien at any time during the year. However, if you were a nonresident alien or a dual-status alien and were married to a U.S. citizen or resident alien at the end of 2011, you may elect to be treated as a resident alien and file a joint return. See Pub. 519 for details.

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## Line 3

### Married Filing Separately

If you are married and file a separate return, you generally report only your own income, exemptions, deductions, and credits. Generally, you are responsible only for the tax on your own income. Different rules apply to people in community property states; see Pub. 555.

However, you will usually pay more tax than if you use another filing status for which you qualify. Also, if you file a separate return, you cannot take the student loan interest deduction, the tuition and fees deduction, the education credits, or the earned income credit. You also cannot take the standard deduction if your spouse itemizes deductions.

Be sure to enter your spouse’s SSN or ITIN on Form 1040. If your spouse does not have and is not required to have an SSN or ITIN, enter “NRA.”



*You may be able to file as head of household if you had a child living with you and you lived apart from your spouse during the last 6 months of 2011. See Married persons who live apart.*

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## Line 4

### Head of Household

This filing status is for unmarried individuals who provide a home for certain other persons. You are considered unmarried for this purpose if any of the following applies.

- You were legally separated according to your state law under a decree of divorce or separate maintenance at the end of 2011. But if, at the end of 2011, your divorce was not final (an interlocutory decree), you are considered married.

- You are married but lived apart from your spouse for the last 6 months of 2011 and you meet the other rules under *Married persons who live apart*, below.

- You are married to a nonresident alien at any time during the year and you do not choose to treat him or her as a resident alien.

Check the box on line 4 only if you are unmarried (or considered unmarried) and either *Test 1* or *Test 2* applies.

**Test 1.** You paid over half the cost of keeping up a home that was the main home for all of 2011 of your parent whom you can claim as a dependent, except under a multiple support agreement (see the line 6c instructions). Your parent did not have to live with you.

**Test 2.** You paid over half the cost of keeping up a home in which you lived and in which one of the following also lived for more than half of the year (if half or less, see *Exception to time lived with you*).

1. Any person whom you can claim as a dependent. But do not include:

- a. Your qualifying child whom you claim as your dependent because of the rule for *Children of divorced or separated parents* in the line 6c instructions,

- b. Any person who is your dependent only because he or she lived with you for all of 2011, or

- c. Any person you claimed as a dependent under a multiple support agreement. See the line 6c instructions.

2. Your unmarried qualifying child who is not your dependent.

3. Your married qualifying child who is not your dependent only because you can

be claimed as a dependent on someone else’s 2011 return.

4. Your child who, even though you are the custodial parent, is neither your dependent nor your qualifying child because of the rule for *Children of divorced or separated parents* in the line 6c instructions.

If the child is not your dependent, enter the child’s name on line 4. If you do not enter the name, it will take us longer to process your return.

**Qualifying child.** To find out if someone is your qualifying child, see Step 1 of the line 6c instructions.

**Dependent.** To find out if someone is your dependent, see the instructions for line 6c.

**Exception to time lived with you.** Temporary absences by you or the other person for special circumstances, such as school, vacation, business, medical care, military service, or detention in a juvenile facility, count as time lived in the home. Also see *Kidnapped child* in the line 6c instructions, if applicable.

If the person for whom you kept up a home was born or died in 2011, you can still file as head of household as long as the home was that person’s main home for the part of the year he or she was alive.

**Keeping up a home.** To find out what is included in the cost of keeping up a home, see Pub. 501.

If you used payments you received under Temporary Assistance for Needy Families (TANF) or other public assistance programs to pay part of the cost of keeping up your home, you cannot count them as money you paid. However, you must include them in the total cost of keeping up your home to figure if you paid over half the cost.

**Married persons who live apart.** Even if you were not divorced or legally separated at the end of 2011, you are considered unmarried if all of the following apply.

- You lived apart from your spouse for the last 6 months of 2011. Temporary absences for special circumstances, such as for business, medical care, school, or military service, count as time lived in the home.

- You file a separate return from your spouse.

- You paid over half the cost of keeping up your home for 2011.

- Your home was the main home of your child, stepchild, or foster child for more than half of 2011 (if half or less, see *Exception to time lived with you*, earlier).

- You can claim this child as your dependent or could claim the child except that the child’s other parent can claim him or her under the rule for *Children of divorced*

or separated parents in the line 6c instructions.

**Adopted child.** An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

**Foster child.** A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

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## Line 5

### Qualifying Widow(er) With Dependent Child

You can check the box on line 5 and use joint return tax rates for 2011 if all of the following apply.

- Your spouse died in 2009 or 2010 and you did not remarry before the end of 2011.
- You have a child or stepchild whom you claim as a dependent. This does not include a foster child.
- This child lived in your home for all of 2011. If the child did not live with you for the required time, see *Exception to time lived with you*, later.
- You paid over half the cost of keeping up your home.
- You could have filed a joint return with your spouse the year he or she died, even if you did not actually do so.

If your spouse died in 2011, you cannot file as qualifying widow(er) with dependent child. Instead, see the instructions for line 2.

**Adopted child.** An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

**Dependent.** To find out if someone is your dependent, see the instructions for line 6c.

**Exception to time lived with you.** Temporary absences by you or the child for special circumstances, such as school, vacation, business, medical care, military service, or detention in a juvenile facility, count as time lived in the home. Also see *Kidnapped child* in the line 6c instructions, if applicable.

A child is considered to have lived with you for all of 2011 if the child was born or died in 2011 and your home was the child's home for the entire time he or she was alive.

**Keeping up a home.** To find out what is included in the cost of keeping up a home, see Pub. 501.

If you used payments you received under Temporary Assistance for Needy Families (TANF) or other public assistance programs to pay part of the cost of keeping up your home, you cannot count them as money you paid. However, you must include them in the total cost of keeping up your home to figure if you paid over half the cost.

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## Exemptions

You can deduct \$3,700 on line 42 for each exemption you can take.

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## Line 6b

### Spouse

Check the box on line 6b if either of the following applies.

1. Your filing status is married filing jointly and your spouse cannot be claimed as a dependent on another person's return.
2. You were married at the end of 2011, your filing status is married filing separately or head of household, and both of the following apply.
  - a. Your spouse had no income and is not filing a return.
  - b. Your spouse cannot be claimed as a dependent on another person's return.

If your filing status is head of household and you check the box on line 6b, enter the name of your spouse on the dotted line next to line 6b. Also, enter your spouse's social security number in the space provided at the top of your return. If you became divorced or legally separated during 2011, you cannot take an exemption for your former spouse.

**Death of your spouse.** If your spouse died in 2011 and you did not remarry by the end of 2011, check the box on line 6b if you could have taken an exemption for your spouse on the date of death. For other filing instructions, see *Death of a Taxpayer* under *General Information*, later.

## Line 6c—Dependents

### Dependents and Qualifying Child for Child Tax Credit

Follow the steps below to find out if a person qualifies as your dependent, qualifies you to take the child tax credit, or both. If you have more than four dependents, check the box to the left of line 6c and include a statement showing the information required in columns (1) through (4).

#### Step 1 Do You Have a Qualifying Child?

##### A qualifying child is a child who is your...

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them (for example, your grandchild, niece, or nephew)

AND

was ...

Under age 19 at the end of 2011 and younger than you (or your spouse, if filing jointly)

or

Under age 24 at the end of 2011, a student (defined later), and younger than you (or your spouse, if filing jointly)

or

Any age and permanently and totally disabled (defined later)

AND

Who did not provide over half of his or her own support for 2011 (see Pub. 501)

AND

Who is not filing a joint return for 2011 or is filing a joint return for 2011 only as a claim for refund (defined later)

AND

Who lived with you for more than half of 2011. If the child did not live with you for the required time, see *Exception to time lived with you*, later.



If the child meets the conditions to be a qualifying child of any other person (other than your spouse if filing jointly) for 2011, see *Qualifying child of more than one person*, later.

1. Do you have a child who meets the conditions to be your qualifying child?

**Yes.** Go to Step 2.  **No.** Go to Step 4.

#### Step 2 Is Your Qualifying Child Your Dependent?

1. Was the child a U.S. citizen, U.S. national, U.S. resident alien, or a resident of Canada or Mexico? (See Pub. 519 for the definition of a U.S. national or U.S. resident alien. If the child was adopted, see *Exception to citizen test*, later.)

**Yes.** Continue   **No.** 

You cannot claim this child as a dependent. Go to Form 1040, line 7.

2. Was the child married?

**Yes.** See *Married person*, later.  **No.** Continue 

3. Could you, or your spouse if filing jointly, be claimed as a dependent on someone else's 2011 tax return? See Steps 1, 2, and 4.

**Yes.** You cannot claim any dependents. Go to Form 1040, line 7.  **No.** You can claim this child as a dependent. Complete Form 1040, line 6c, columns (1) through (3) for this child. Then, go to Step 3.

#### Step 3 Does Your Qualifying Child Qualify You for the Child Tax Credit?

1. Was the child under age 17 at the end of 2011?

**Yes.** Continue   **No.** 

This child is not a qualifying child for the child tax credit. Go to Form 1040, line 7.

2. Was the child a U.S. citizen, U.S. national, or U.S. resident alien? (See Pub. 519 for the definition of a U.S. national or U.S. resident alien. If the child was adopted, see *Exception to citizen test*, later.)

**Yes.** This child is a qualifying child for the child tax credit. Check the box on Form 1040, line 6c, column (4).  **No.** 

This child is not a qualifying child for the child tax credit. Go to Form 1040, line 7.

(Continued)

## Step 4 Is Your Qualifying Relative Your Dependent?

### A qualifying relative is a person who is your...

Son, daughter, stepchild, foster child, or a descendant of any of them (for example, your grandchild)

or

Brother, sister, half brother, half sister, or a son or daughter of any of them (for example, your niece or nephew)

or

Father, mother, or an ancestor or sibling of either of them (for example, your grandmother, grandfather, aunt, or uncle)

or

Stepbrother, stepsister, stepfather, stepmother, son-in-law, daughter-in-law, father-in-law, mother-in-law, brother-in-law, or sister-in-law

or

Any other person (other than your spouse) who lived with you all year as a member of your household if your relationship did not violate local law. If the person did not live with you for the required time, see *Exception to time lived with you*, later

AND

Who was not a qualifying child (see Step 1) of any taxpayer for 2011. For this purpose, a person is not a taxpayer if he or she is not required to file a U.S. income tax return **and** either does not file such a return or files only to get a refund of withheld income tax or estimated tax paid

AND

Who had gross income of less than \$3,700 in 2011. If the person was permanently and totally disabled, see *Exception to gross income test*, later

AND

For whom you provided over half of his or her support in 2011. But see *Children of divorced or separated parents*, *Multiple support agreements*, and *Kidnapped child*, later.

1. Does any person meet the conditions to be your qualifying relative?

**Yes.** Continue



**No.**

Go to Form 1040, line 7.

2. Was your qualifying relative a U.S. citizen, U.S. national, U.S. resident alien, or a resident of Canada or Mexico? (See Pub. 519 for the definition of a U.S. national or U.S. resident alien. If your qualifying relative was adopted, see *Exception to citizen test*, later.)

**Yes.** Continue



**No.**

You cannot claim this person as a dependent. Go to Form 1040, line 7.

3. Was your qualifying relative married?

**Yes.** See *Married person*, later.

**No.** Continue



4. Could you, or your spouse if filing jointly, be claimed as a dependent on someone else's 2011 tax return? See Steps 1, 2, and 4.

**Yes.**

You cannot claim any dependents. Go to Form 1040, line 7.

**No.** You can claim this person as a dependent. Complete Form 1040, line 6c, columns (1) through (3). Do not check the box on Form 1040, line 6c, column (4).

## Definitions and Special Rules

**Adopted child.** An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

**Adoption taxpayer identification numbers (ATINs).** If you have a dependent who was placed with you for legal adoption and you do not know his or her SSN, you must get an ATIN for the dependent from the IRS. See Form W-7A for details. If the dependent is not a U.S. citizen or resident alien, apply for an ITIN instead, using Form W-7.

**Children of divorced or separated parents.** A child will be treated as the qualifying child or qualifying relative of his or her noncustodial parent (defined later) if all of the following conditions apply.

- The parents are divorced, legally separated, separated under a written separation agreement, or lived apart at all times during the last 6 months of 2011 (whether or not they are or were married).
- The child received over half of his or her support for 2011 from the parents (and the rules on *Multiple support agreements*, later, do not apply). Support of a child received from a parent's spouse is treated as provided by the parent.
- The child is in custody of one or both of the parents for more than half of 2011.
- Either of the following applies.
  - The custodial parent signs Form 8332 or a substantially similar statement that he or she will not claim the child as a dependent for 2011, and the noncustodial parent includes a copy of the form or statement with his or her return. If the divorce decree or separation agreement went into effect after 1984 and before 2009, the noncustodial parent may be able to include certain pages from the decree or agreement instead of Form 8332. See *Post-1984 and pre-2009 decree or agreement* and *Post-2008 decree or agreement*.

- b. A pre-1985 decree of divorce or separate maintenance or written separation agreement between the parents provides that the noncustodial parent can claim the child as a dependent, and the noncustodial parent provides at least \$600 for support of the child during 2011.

If conditions (1) through (4) apply, only the noncustodial parent can claim the child for purposes of the dependency exemption (line 6c) and the child tax credits (lines 51 and 65). However, this special rule does not apply to head of household filing status, the credit for child and dependent care expenses, the exclusion for dependent care benefits, the earned income credit, or the health coverage tax credit. See Pub. 501 for details.

**Custodial and noncustodial parents.** The custodial parent is the parent with whom the child lived for the greater number of nights in 2011. The noncustodial parent is the other parent. If the child was with each parent for an equal number of nights, the custodial parent is the parent with the higher adjusted gross income. See Pub. 501 for an exception for a parent who works at night, rules for a child who is emancipated under state law, and other details.

**Post-1984 and pre-2009 decree or agreement.** The decree or agreement must state all three of the following.

1. The noncustodial parent can claim the child as a dependent without regard to any condition, such as payment of support.
2. The other parent will not claim the child as a dependent.
3. The years for which the claim is released.

The noncustodial parent must include all of the following pages from the decree or agreement.

- Cover page (include the other parent's SSN on that page).
- The pages that include all the information identified in (1) through (3) above.
- Signature page with the other parent's signature and date of agreement.



*You must include the required information even if you filed it with your return in an earlier year.*

**Post-2008 decree or agreement.** If the divorce decree or separation agreement went into effect after 2008, the noncustodial parent cannot include pages from the decree or agreement instead of Form 8332. The custodial parent must sign either Form 8332 or a substantially similar statement the only purpose of which is to release the custodial parent's claim to an exemption for a child, and the noncustodial parent must include a copy with his or her return. The form or statement must release the custodial parent's claim to the child without any conditions. For example, the release must not depend on the noncustodial parent paying support.

**Release of exemption revoked.** A custodial parent who has revoked his or her previous release of a claim to exemption for a child must include a copy of the revocation with his or her return. For details, see Form 8332.

**Claim for refund.** A claim for refund is a return filed only to get a refund of withheld income tax or estimated tax paid. A return is not a claim for refund if the earned income credit or any other similar refundable credit is claimed on it.

**Exception to citizen test.** If you are a U.S. citizen or U.S. national and your adopted child lived with you all year as a member of your household, that child meets the requirement to be a U.S. citizen in Step 2, question 1; Step 3, question 2; and Step 4, question 2.

**Exception to gross income test.** If your relative (including a person who lived with you all year as a member of your household) is permanently and totally disabled (defined later), certain income for services performed at a sheltered workshop may be excluded for this test. For details, see Pub. 501.

**Exception to time lived with you.** Temporary absences by you or the other person for special circumstances, such as school, vacation, business, medical care, military service, or detention in a juvenile facility, count as time the person lived with you. Also see *Children of divorced or separated parents*, earlier, or *Kidnapped child*, later.

A person is considered to have lived with you for all of 2011 if the person was born or died in 2011 and your home was this person's home for the entire time he or she was alive in 2011.

**Foster child.** A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

**Kidnapped child.** If your child is presumed by law enforcement authorities to have been kidnapped by someone who is not a family member, you may be able to take the child into account in determining your eligibility for head of household or qualifying widow(er) filing status, the dependency exemption, the child tax credit, and the earned income credit (EIC). For details, see Pub. 501 (Pub. 596 for the EIC).

**Married person.** If the person is married and files a joint return, you cannot claim that person as your dependent. Go to Form 1040, line 7. However, if the person is married but does not file a joint return or files a joint return only as a *Claim for refund* (defined earlier) and no tax liability would exist for either spouse if they filed separate returns, you may be able to claim him or her as a dependent. Go to Step 2, question 3 (for a qualifying child) or Step 4, question 4 (for a qualifying relative).

**Multiple support agreements.** If no one person contributed over half of the support of your relative (or a person who lived with you all year as a member of your household) but you and another person(s) provided more than half of your relative's support, special rules may apply that would treat you as having provided over half of the support. For details, see Pub. 501.

**Permanently and totally disabled.** A person is permanently and totally disabled if, at any time in 2011, the person cannot engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition has lasted or can be expected to last continuously for at least a year or can be expected to lead to death.

**Qualifying child of more than one person.** Even if a child meets the conditions to be the qualifying child of more than one person, only one person can claim the child as a qualifying child for all of the following tax benefits, unless the special rule for *Children of divorced or separated parents*, described earlier, applies.

1. Dependency exemption (line 6c).
2. Child tax credits (lines 51 and 65).
3. Head of household filing status (line 4).
4. Credit for child and dependent care expenses (line 48).
5. Exclusion for dependent care benefits (Form 2441, Part III).
6. Earned income credit (lines 64a and 64b).

No other person can take any of the six tax benefits listed above unless he or she has a different qualifying child. If you and any other person can claim the child as a qualifying child, the following rules apply.

- If only one of the persons is the child's parent, the child is treated as the qualifying child of the parent.
- If the parents do not file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time in 2011. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for 2011.
- If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for 2011.
- If a parent can claim the child as a qualifying child but no parent does so claim the child, the child is treated as the qualifying child of the person who had the highest AGI for 2011, but only if that person's AGI is higher than the highest AGI of any parent of the child who can claim the child.

**Example.** Your daughter meets the conditions to be a qualifying child for both you and your mother. Your daughter does not meet the conditions to be a qualifying child of any other person, including her other parent. Under the rules just described, you can claim

your daughter as a qualifying child for all of the six tax benefits just listed for which you otherwise qualify. Your mother cannot claim any of those six tax benefits unless she has a different qualifying child. However, if your mother's AGI is higher than yours and you do not claim your daughter as a qualifying child, your daughter is the qualifying child of your mother.

For more details and examples, see Pub. 501.

If you will be claiming the child as a qualifying child, go to Step 2. Otherwise, stop; you cannot claim any benefits based on this child. Go to Form 1040, line 7.

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**Social security number.** You must enter each dependent's social security number (SSN). Be sure the name and SSN entered agree with the dependent's social security card. Otherwise, at the time we process your return, we may disallow the exemption claimed for the dependent and reduce or disallow any other tax benefits (such as the child tax credit) based on that dependent. If the name or SSN on the

dependent's social security card is not correct or you need to get an SSN for your dependent, contact the Social Security Administration. See *Social Security Number (SSN)*, earlier. If your dependent will not have a number by the date your return is due, see *What if You Cannot File on Time?* earlier.

If your dependent child was born and died in 2011 and you do not have an SSN for the child, enter "Died" in column (2) and include a copy of the child's birth certificate, death certificate, or hospital records. The document must show the child was born alive.

**Student.** A student is a child who during any part of 5 calendar months of 2011 was enrolled as a full-time student at a school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

## Income

Generally, you must report all income except income that is exempt from tax by law. For details, see the following instructions, especially the instructions for lines 7 through 21. Also see Pub. 525.

### Foreign-Source Income

You must report unearned income, such as interest, dividends, and pensions, from sources outside the United States unless exempt by law or a tax treaty. You must also report earned income, such as wages and tips, from sources outside the United States.

If you worked abroad, you may be able to exclude part or all of your foreign earned income. For details, see Pub. 54 and Form 2555 or 2555-EZ.

**Foreign retirement plans.** If you were a beneficiary of a foreign retirement plan, you may have to report the undistributed income earned in your plan. However, if you were the beneficiary of a Canadian registered retirement plan, see Form 8891 to find out if you can elect to defer tax on the undistributed income.

Report distributions from foreign pension plans on lines 16a and 16b.

**Foreign accounts and trusts.** You must complete Part III of Schedule B if you:

- Had a foreign account, or
- Received a distribution from, or were a grantor of, or a transferor to, a foreign trust.

If you had foreign financial assets in 2011, you may have to file new Form 8938. Check [www.irs.gov/form8938](http://www.irs.gov/form8938) for details.

## Chapter 11 Bankruptcy Cases

If you are a debtor in a chapter 11 bankruptcy case, income taxable to the bankruptcy estate and reported on the estate's income tax return includes:

- Earnings from services you performed after the beginning of the case (both wages and self-employment income), and
- Income from property described in section 541 of title 11 of the U.S. Code that you either owned when the case began or that you acquired after the case began and before the case was closed, dismissed, or converted to a case under a different chapter.

Because this income is taxable to the estate, do not include this income on your own individual income tax return. The only exception is for purposes of figuring your self-employment tax. For that purpose, you must take into account all your self-employment income for the year from services performed both before and after the begin-

ning of the case. Also, you (or the trustee, if one is appointed) must allocate between you and the bankruptcy estate the wages, salary, or other compensation and withheld income tax reported to you on Form W-2. A similar allocation is required for income and withheld income tax reported to you on Forms 1099. You must also include a statement that indicates you filed a chapter 11 case and that explains how income and withheld income tax reported to you on Forms W-2 and 1099 are allocated between you and the estate. For more details, including acceptable allocation methods, see Notice 2006-83, 2006-40 I.R.B. 596, available at

[www.irs.gov/irb/2006-40\\_IRB/ar12.html](http://www.irs.gov/irb/2006-40_IRB/ar12.html).

### Community Property States

Community property states are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. If you and your spouse lived in a community property state, you must usually follow state law to determine what is community income and what is separate income. For details, see Pub. 555.

**Nevada, Washington, and California domestic partners.** A registered domestic partner in Nevada, Washington, or California (or a person in California who is married to a person of the same sex) generally must report half the combined community income of the individual and his or her domestic partner (or California same-sex spouse). See Pub. 555 and the recent developments at [www.irs.gov/pub555](http://www.irs.gov/pub555).

### Rounding Off to Whole Dollars

You can round off cents to whole dollars on your return and schedules. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

If you have to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

## Line 7

### Wages, Salaries, Tips, etc.

Enter the total of your wages, salaries, tips, etc. If a joint return, also include your spouse's income. For most people, the amount to enter on this line should be shown in box 1 of their Form(s) W-2. But the following types of income must also be included in the total on line 7.

- Wages received as a household employee for which you did not receive a Form W-2 because your employer paid you

less than \$1,700 in 2011. Also, enter "HSH" and the amount not reported on Form W-2 on the dotted line next to line 7.

- Tip income you did not report to your employer. This should include any allocated tips shown in box 8 on your Form(s) W-2 unless you can prove that your unreported tips are less than the amount in box 8. Allocated tips are not included as income in box 1. See Pub. 531 for more details. Also include the value of any noncash tips you received, such as tickets, passes, or other items of value. Although you do not report these noncash tips to your employer, you must report them on line 7.



You may owe social security and Medicare or railroad retirement (RRTA) tax on unreported tips. See the instructions for line 57.

- Dependent care benefits, which should be shown in box 10 of your Form(s) W-2. But first complete Form 2441 to see if you can exclude part or all of the benefits.
- Employer-provided adoption benefits, which should be shown in box 12 of your Form(s) W-2 with code T. But see the Instructions for Form 8839 to find out if you can exclude part or all of the benefits. You may also be able to exclude amounts if you adopted a child with special needs and the adoption became final in 2011.
- Scholarship and fellowship grants not reported on Form W-2. Also, enter "SCH" and the amount on the dotted line next to line 7. However, if you were a degree candidate, include on line 7 only the amounts you used for expenses other than tuition and course-related expenses. For example, amounts used for room, board, and travel must be reported on line 7.

• Excess salary deferrals. The amount deferred should be shown in box 12 of your Form W-2, and the "Retirement plan" box in box 13 should be checked. If the total amount you (or your spouse if filing jointly) deferred for 2011 under all plans was more than \$16,500 (excluding catch-up contributions as explained below), include the excess on line 7. This limit is (a) \$11,500 if you only have SIMPLE plans, or (b) \$19,500 for section 403(b) plans if you qualify for the 15-year rule in Pub. 571. Although designated Roth contributions are subject to this limit, do not include the excess attributable to such contributions on line 7. They are already included as income in box 1 of your Form W-2.

A higher limit may apply to participants in section 457(b) deferred compensation plans for the 3 years before retirement age. Contact your plan administrator for more information.

If you were age 50 or older at the end of 2011, your employer may have allowed an

additional deferral (catch-up contributions) of up to \$5,500 (\$2,500 for section 401(k)(11) and SIMPLE plans). This additional deferral amount is not subject to the overall limit on elective deferrals.



*You cannot deduct the amount deferred. It is not included as income in box 1 of your Form W-2.*

- Disability pensions shown on Form 1099-R if you have not reached the minimum retirement age set by your employer. But see *Insurance Premiums for Retired Public Safety Officers* in the instructions for lines 16a and 16b. Disability pensions received after you reach minimum retirement age and other payments shown on Form 1099-R (other than payments from an IRA\*) are reported on lines 16a and 16b. Payments from an IRA are reported on lines 15a and 15b.

- Corrective distributions from a retirement plan shown on Form 1099-R of excess salary deferrals and excess contributions (plus earnings). But do not include distributions from an IRA\* on line 7. Instead, report distributions from an IRA on lines 15a and 15b.

- Wages from Form 8919, line 6.

\*This includes a Roth, SEP, or SIMPLE IRA.

### Were You a Statutory Employee?

If you were, the “Statutory employee” box in box 13 of your Form W-2 should be checked. Statutory employees include full-time life insurance salespeople, certain agent or commission drivers and traveling salespeople, and certain homeworkers. If you have related business expenses to deduct, report the amount shown in box 1 of your Form W-2 on Schedule C or C-EZ along with your expenses.

### Missing or Incorrect Form W-2?

Your employer is required to provide or send Form W-2 to you no later than January 31, 2012. If you do not receive it by early February, use TeleTax topic 154 to find out what to do. Even if you do not get a Form W-2, you must still report your earnings on line 7. If you lose your Form W-2 or it is incorrect, ask your employer for a new one.

## Line 8a

### Taxable Interest

Each payer should send you a Form 1099-INT or Form 1099-OID. Enter your total taxable interest income on line 8a. But you must fill in and attach Schedule B if the total is over \$1,500 or any of the other conditions listed at the beginning of the Schedule B instructions apply to you.

Interest credited in 2011 on deposits that you could not withdraw because of the bankruptcy or insolvency of the financial institution may not have to be included in your 2011 income. For details, see Pub. 550.



*If you get a 2011 Form 1099-INT for U.S. savings bond interest that includes amounts you reported before 2011, see Pub. 550.*

## Line 8b

### Tax-Exempt Interest

If you received any tax-exempt interest, such as from municipal bonds, each payer should send you a Form 1099-INT. Your tax-exempt interest, including any exempt-interest dividends from a mutual fund or other regulated investment company, should be included in box 8 of Form 1099-INT. Enter the total on line 8b. Do not include interest earned on your IRA, health savings account, Archer or Medicare Advantage MSA, or Coverdell education savings account.

## Line 9a

### Ordinary Dividends

Each payer should send you a Form 1099-DIV. Enter your total ordinary dividends on line 9a. This amount should be shown in box 1a of Form(s) 1099-DIV.

You must fill in and attach Schedule B if the total is over \$1,500 or you received, as a nominee, ordinary dividends that actually belong to someone else.

### Nondividend Distributions

Some distributions are a return of your cost (or other basis). They will not be taxed until you recover your cost (or other basis). You must reduce your cost (or other basis) by these distributions. After you get back all of your cost (or other basis), you must report these distributions as capital gains on Schedule D. For details, see Pub. 550.



*Dividends on insurance policies are a partial return of the premiums you paid. Do not report them as dividends. Include them in income on line 21 only if they exceed the total of all net premiums you paid for the contract.*

## Line 9b

### Qualified Dividends

Enter your total qualified dividends on line 9b. Qualified dividends are also included in the ordinary dividend total re-

quired to be shown on line 9a. Qualified dividends are eligible for a lower tax rate than other ordinary income. Generally, these dividends are shown in box 1b of Form(s) 1099-DIV. See Pub. 550 for the definition of qualified dividends if you received dividends not reported on Form 1099-DIV.

**Exception.** Some dividends may be reported as qualified dividends in box 1b of Form 1099-DIV but are not qualified dividends. These include:

- Dividends you received as a nominee. See the Schedule B instructions.

- Dividends you received on any share of stock that you held for less than 61 days during the 121-day period that began 60 days before the ex-dividend date. The ex-dividend date is the first date following the declaration of a dividend on which the purchaser of a stock is not entitled to receive the next dividend payment. When counting the number of days you held the stock, include the day you disposed of the stock but not the day you acquired it. See the examples that follow. Also, when counting the number of days you held the stock, you cannot count certain days during which your risk of loss was diminished. See Pub. 550 for more details.

- Dividends attributable to periods totaling more than 366 days that you received on any share of preferred stock held for less than 91 days during the 181-day period that began 90 days before the ex-dividend date. When counting the number of days you held the stock, you cannot count certain days during which your risk of loss was diminished. See Pub. 550 for more details. Preferred dividends attributable to periods totaling less than 367 days are subject to the 61-day holding period rule just described.

- Dividends on any share of stock to the extent that you are under an obligation (including a short sale) to make related payments with respect to positions in substantially similar or related property.

- Payments in lieu of dividends, but only if you know or have reason to know that the payments are not qualified dividends.

**Example 1.** You bought 5,000 shares of XYZ Corp. common stock on July 8, 2011. XYZ Corp. paid a cash dividend of 10 cents per share. The ex-dividend date was July 15, 2011. Your Form 1099-DIV from XYZ Corp. shows \$500 in box 1a (ordinary dividends) and in box 1b (qualified dividends). However, you sold the 5,000 shares on August 11, 2011. You held your shares of XYZ Corp. for only 34 days of the 121-day period (from July 9, 2011, through August 11, 2011). The 121-day period began on May 16, 2011 (60 days before the ex-dividend date), and ended on September 13, 2011. You have no qualified dividends from XYZ Corp. because you held the XYZ stock for less than 61 days.



tax rate on net capital gain and qualified dividends in certain situations.

5. Your 2010 state and local income tax refund is more than your 2010 state and local income tax deduction minus the amount you could have deducted as your 2010 state and local general sales taxes.

6. You made your last payment of 2010 estimated state or local income tax in 2011.

7. You owed alternative minimum tax in 2010.

8. You could not use the full amount of credits you were entitled to in 2010 because the total credits were more than the amount shown on your 2010 Form 1040, line 46.

9. You could be claimed as a dependent by someone else in 2010.

10. You received a refund because of a jointly filed state or local income tax return, but you are not filing a joint 2011 Form 1040 with the same person.

- A capital loss carryover from 2010,
- A gain from Form 2439 or 6252 or Part I of Form 4797,
- A gain or loss from Form 4684, 6781, or 8824, or
- A gain or loss from a partnership, S corporation, estate, or trust.

If *Exception 1* applies, enter your total capital gain distributions (from box 2a of Form(s) 1099-DIV) on line 13 and check the box on that line. If you received capital gain distributions as a nominee (that is, they were paid to you but actually belong to someone else), report on line 13 only the amount that belongs to you. Include a statement showing the full amount you received and the amount you received as a nominee. See the Schedule B instructions for filing requirements for Forms 1099-DIV and 1096.



*If you do not have to file Schedule D, use the Qualified Dividends and Capital Gain Tax Worksheet in the line 44 instructions to figure your tax.*

## Line 11

### Alimony Received

Enter amounts received as alimony or separate maintenance. You must let the person who made the payments know your social security number. If you do not, you may have to pay a penalty. For more details, see Pub. 504.

## Line 12

### Business Income or (Loss)

If you operated a business or practiced your profession as a sole proprietor, report your income and expenses on Schedule C or C-EZ.

## Line 13

### Capital Gain or (Loss)

If you had a capital gain or loss, you must complete and attach Form 8949 and Schedule D.

**Exception 1.** You do not have to file Form 8949 or Schedule D if both of the following apply.

1. You have no capital losses, and your only capital gains are capital gain distributions from Form(s) 1099-DIV, box 2a (or substitute statements).

2. None of the Form(s) 1099-DIV (or substitute statements) have an amount in box 2b (unrecaptured section 1250 gain), box 2c (section 1202 gain), or box 2d (collectibles (28%) gain).

**Exception 2.** You must file Schedule D, but generally do not have to file Form 8949, if *Exception 1* does not apply and your only capital gains and losses are:

- Capital gain distributions,

## Line 14

### Other Gains or (Losses)

If you sold or exchanged assets used in a trade or business, see the Instructions for Form 4797.

## Lines 15a and 15b

### IRA Distributions

You should receive a Form 1099-R showing the total amount of any distribution from your IRA before income tax or other deductions were withheld. This amount should be shown in box 1 of Form 1099-R. Unless otherwise noted in the line 15a and 15b instructions, an IRA includes a traditional IRA, Roth IRA, simplified employee pension (SEP) IRA, and a savings incentive match plan for employees (SIMPLE) IRA. Except as provided below, leave line 15a blank and enter the total distribution (from Form 1099-R, box 1) on line 15b.

If you converted part or all of an IRA to a Roth IRA in 2010 and did not elect to report the taxable amount on your 2010 return, you generally must report half of it on your 2011 return and the rest on your 2012 return. See *2010 Roth IRA conversions*, later.

**Exception 1.** Enter the total distribution on line 15a if you rolled over part or all of the distribution from one:

- IRA to another IRA of the same type (for example, from one traditional IRA to another traditional IRA),
- SEP or SIMPLE IRA to a traditional IRA, or

- IRA to a qualified plan other than an IRA.

Also, enter “Rollover” next to line 15b. If the total distribution was rolled over in a qualified rollover, enter -0- on line 15b. If the total distribution was not rolled over in a qualified rollover, enter the part not rolled over on line 15b unless *Exception 2* applies to the part not rolled over. Generally, a qualified rollover must be made within 60 days after the day you received the distribution. For more details on rollovers, see Pub. 590.

If you rolled over the distribution into a qualified plan other than an IRA or you made the rollover in 2012, include a statement explaining what you did.

**Exception 2.** If any of the following apply, enter the total distribution on line 15a and see Form 8606 and its instructions to figure the amount to enter on line 15b.

1. You received a distribution from an IRA (other than a Roth IRA) and you made nondeductible contributions to any of your traditional or SEP IRAs for 2011 or an earlier year. If you made nondeductible contributions to these IRAs for 2011, also see Pub. 590.

2. You received a distribution from a Roth IRA. But if either (a) or (b) below applies, enter -0- on line 15b; you do not have to see Form 8606 or its instructions.

a. Distribution code T is shown in box 7 of Form 1099-R and you made a contribution (including a conversion) to a Roth IRA for 2006 or an earlier year.

b. Distribution code Q is shown in box 7 of Form 1099-R.

3. You converted part or all of a traditional, SEP, or SIMPLE IRA to a Roth IRA in 2011.

4. You had a 2010 or 2011 IRA contribution returned to you, with the related earnings or less any loss, by the due date (including extensions) of your tax return for that year.

5. You made excess contributions to your IRA for an earlier year and had them returned to you in 2011.

6. You recharacterized part or all of a contribution to a Roth IRA as a traditional IRA contribution, or vice versa.

**Exception 3.** If the distribution is a qualified charitable distribution (QCD), enter the total distribution on line 15a. If the total amount distributed is a QCD, enter -0- on line 15b. If only part of the distribution is a QCD, enter the part that is not a QCD on line 15b unless *Exception 2* applies to that part. Enter “QCD” next to line 15b.

A QCD is a distribution made directly by the trustee of your IRA (other than an ongoing SEP or SIMPLE IRA) to an organization eligible to receive tax-deductible contributions (with certain exceptions).

You must have been at least age 70½ when the distribution was made.

Generally, your total QCDs for the year cannot be more than \$100,000. (On a joint return, your spouse can also have a QCD of up to \$100,000.) If you elected to treat a January 2011 QCD as made in 2010, report it on your 2011 return like any other 2011 QCD, as just described. However, if you also made another 2011 QCD and the total was more than \$100,000 per spouse, attach a brief explanation. For example: "Line 15b – Spouse One's 2010 QCD \$75,000; Spouse One's 2011 QCD \$70,000."

The amount of the QCD is limited to the amount that would otherwise be included in your income. If your IRA includes nondeductible contributions, the distribution is first considered to be paid out of otherwise taxable income.



*You cannot claim a charitable contribution deduction for any QCD not included in your income.*

**Exception 4.** If the distribution is a health savings account (HSA) funding distribution (HFD), enter the total distribution on line 15a. If the total amount distributed is an HFD and you elect to exclude it from income, enter -0- on line 15b. If only part of the distribution is an HFD and you elect to exclude that part from income, enter the part that is not an HFD on line 15b unless *Exception 2* applies to that part. Enter "HFD" next to line 15b.

An HFD is a distribution made directly by the trustee of your IRA (other than an ongoing SEP or SIMPLE IRA) to your HSA. If eligible, you generally can elect to exclude an HFD from your income once in your lifetime. You cannot exclude more than the limit on HSA contributions or more than the amount that would otherwise be included in your income. If your IRA includes nondeductible contributions, the HFD is first considered to be paid out of otherwise taxable income. See Pub. 969 for details.



*The amount of an HFD reduces the amount you can contribute to your HSA for the year. If you fail to maintain eligibility for an HSA for the 12 months following the month of the HFD, you may have to report the HFD as income and pay an additional tax. See Form 8889, Part III.*

**More than one exception applies.** If more than one exception applies, include a statement showing the amount of each exception, instead of making an entry next to line 15b. For example: "Line 15b – \$1,000 Rollover and \$500 HFD." But you do not need to attach a statement if only *Exception 2* and one other exception apply.

**2010 Roth IRA conversions.** If you converted part or all of an IRA to a Roth IRA in

2010 and did not elect to report the taxable amount on your 2010 return, include on line 15b the amount from your 2010 Form 8606, line 20a. However, you may have to include a different amount on line 15b if either of the following applies.

- You received a distribution from a Roth IRA in 2010 or the owner of the Roth IRA died in 2011. See Pub. 590 to figure the amount to include on line 15b.

- You received a distribution from a Roth IRA in 2011. Use Form 8606 to figure the amount to include on line 15b.

**More than one distribution.** If you (or your spouse if filing jointly) received more than one distribution, figure the taxable amount of each distribution and enter the total of the taxable amounts on line 15b. Enter the total amount of those distributions on line 15a.



*You may have to pay an additional tax if (a) you received an early distribution from your IRA and the total was not rolled over, or (b) you were born before July 1, 1940, and received less than the minimum required distribution from your traditional, SEP, and SIMPLE IRAs. See the instructions for line 58 for details.*

**More information.** For more information about IRAs, see Pub. 590.

## Lines 16a and 16b Pensions and Annuities

You should receive a Form 1099-R showing the total amount of your pension and annuity payments before income tax or other deductions were withheld. This amount should be shown in box 1 of Form 1099-R. Pension and annuity payments include distributions from 401(k), 403(b), and governmental 457(b) plans. Rollovers and lump-sum distributions are explained later. Do not include the following payments on lines 16a and 16b. Instead, report them on line 7.

- Disability pensions received before you reach the minimum retirement age set by your employer.

- Corrective distributions (including any earnings) of excess salary deferrals or excess contributions to retirement plans. The plan must advise you of the year(s) the distributions are includible in income.



*Attach Form(s) 1099-R to Form 1040 if any federal income tax was withheld.*

If you rolled over part or all of a qualified retirement plan (other than a designated Roth account) to a Roth IRA in 2010 (or you rolled over part or all of a 401(k) or 403(b) plan to a designated Roth account in

2010) and did not elect to report the taxable amount on your 2010 return, you generally must report half of it on your 2011 return and the rest on your 2012 return. See *2010 Roth IRA rollovers*, or *2010 in-plan rollovers*, whichever applies, later.

### Fully Taxable Pensions and Annuities

Your payments are fully taxable if (a) you did not contribute to the cost (see *Cost*, later) of your pension or annuity, or (b) you got your entire cost back tax free before 2011. But see *Insurance Premiums for Retired Public Safety Officers*, later. If your pension or annuity is fully taxable, enter the total pension or annuity payments (from Form(s) 1099-R, box 1) on line 16b; do not make an entry on line 16a.

Fully taxable pensions and annuities also include military retirement pay shown on Form 1099-R. For details on military disability pensions, see Pub. 525. If you received a Form RRB-1099-R, see Pub. 575 to find out how to report your benefits.

### Partially Taxable Pensions and Annuities

Enter the total pension or annuity payments (from Form 1099-R, box 1) on line 16a. If your Form 1099-R does not show the taxable amount, you must use the General Rule explained in Pub. 939 to figure the taxable part to enter on line 16b. But if your annuity starting date (defined later) was after July 1, 1986, see *Simplified Method*, later, to find out if you must use that method to figure the taxable part.

You can ask the IRS to figure the taxable part for you for a \$1,000 fee. For details, see Pub. 939.

If your Form 1099-R shows a taxable amount, you can report that amount on line 16b. But you may be able to report a lower taxable amount by using the General Rule or the Simplified Method or if the exclusion for retired public safety officers, discussed next, applies.

### Insurance Premiums for Retired Public Safety Officers

If you are an eligible retired public safety officer (law enforcement officer, firefighter, chaplain, or member of a rescue squad or ambulance crew), you can elect to exclude from income distributions made from your eligible retirement plan that are used to pay the premiums for coverage by an accident or health plan or a long-term care insurance contract. You can do this only if you retired because of disability or because you reached normal retirement age. The premiums can be for coverage for you, your spouse, or dependents. The distribution must be from a plan maintained by the employer from which you retired as a public safety officer. Also, the distribution must be made directly from the plan to

the provider of the accident or health plan or long-term care insurance contract. You can exclude from income the smaller of the amount of the premiums or \$3,000. You can only make this election for amounts

that would otherwise be included in your income.

An eligible retirement plan is a governmental plan that is:

- A qualified trust,

- A section 403(a) plan,
- A section 403(b) plan, or
- A section 457(b) plan.

If you make this election, reduce the otherwise taxable amount of your pension

**Simplified Method Worksheet—Lines 16a and 16b**

Keep for Your Records



**Before you begin:** ✓ If you are the beneficiary of a deceased employee or former employee who died **before** August 21, 1996, include any death benefit exclusion that you are entitled to (up to \$5,000) in the amount entered on line 2 below.

**Note.** If you had more than one partially taxable pension or annuity, figure the taxable part of each separately. Enter the total of the taxable parts on Form 1040, line 16b. Enter the total pension or annuity payments received in 2011 on Form 1040, line 16a.

<p><b>1.</b> Enter the total pension or annuity payments from Form 1099-R, box 1. Also, enter this amount on Form 1040, line 16a . . . . .</p> <p><b>2.</b> Enter your cost in the plan at the annuity starting date . . . . .</p> <p><b>Note.</b> If you completed this worksheet last year, skip line 3 and enter the amount from line 4 of last year's worksheet on line 4 below (even if the amount of your pension or annuity has changed). Otherwise, go to line 3.</p> <p><b>3.</b> Enter the appropriate number from <b>Table 1</b> below. <b>But</b> if your annuity starting date was <b>after</b> 1997 <b>and</b> the payments are for your life and that of your beneficiary, enter the appropriate number from <b>Table 2</b> below . . . . .</p> <p><b>4.</b> Divide line 2 by the number on line 3 . . . . .</p> <p><b>5.</b> Multiply line 4 by the number of months for which this year's payments were made. If your annuity starting date was <b>before</b> 1987, skip lines 6 and 7 and enter this amount on line 8. Otherwise, go to line 6 . . . . .</p> <p><b>6.</b> Enter the amount, if any, recovered tax free in years after 1986. If you completed this worksheet last year, enter the amount from line 10 of last year's worksheet . . . . .</p> <p><b>7.</b> Subtract line 6 from line 2 . . . . .</p> <p><b>8.</b> Enter the <b>smaller</b> of line 5 or line 7 . . . . .</p> <p><b>9. Taxable amount.</b> Subtract line 8 from line 1. Enter the result, but not less than zero. Also, enter this amount on Form 1040, line 16b. If your Form 1099-R shows a larger amount, use the amount on this line instead of the amount from Form 1099-R. If you are a retired public safety officer, see <i>Insurance Premiums for Retired Public Safety Officers</i> before entering an amount on line 16b . . . . .</p> <p><b>10.</b> Was your annuity starting date before 1987?</p> <p><input type="checkbox"/> <b>Yes.</b>  Leave line 10 blank.</p> <p><input type="checkbox"/> <b>No.</b> Add lines 6 and 8. This is the <b>amount you have recovered tax free</b> through 2011. You will need this number when you fill out this worksheet next year . . . . .</p>	<p><b>1.</b> <input style="width: 100px; height: 20px;" type="text"/></p> <p><b>2.</b> <input style="width: 100px; height: 20px;" type="text"/></p> <p><b>3.</b> <input style="width: 100px; height: 20px;" type="text"/></p> <p><b>4.</b> <input style="width: 100px; height: 20px;" type="text"/></p> <p><b>5.</b> <input style="width: 100px; height: 20px;" type="text"/></p> <p><b>6.</b> <input style="width: 100px; height: 20px;" type="text"/></p> <p><b>7.</b> <input style="width: 100px; height: 20px;" type="text"/></p> <p><b>8.</b> <input style="width: 100px; height: 20px;" type="text"/></p> <p><b>9.</b> <input style="width: 100px; height: 20px;" type="text"/></p> <p><b>10.</b> <input style="width: 100px; height: 20px;" type="text"/></p>
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**Table 1 for Line 3 Above**

**AND your annuity starting date was—**

IF the age at annuity starting date was . . .	before November 19, 1996, enter on line 3 . . .	after November 18, 1996, enter on line 3 . . .
55 or under	300	360
56–60	260	310
61–65	240	260
66–70	170	210
71 or older	120	160

**Table 2 for Line 3 Above**

IF the combined ages at annuity starting date were . . .	THEN enter on line 3 . . .
110 or under	410
111–120	360
121–130	310
131–140	260
141 or older	210

or annuity by the amount excluded. The amount shown in box 2a of Form 1099-R does not reflect the exclusion. Report your total distributions on line 16a and the taxable amount on line 16b. Enter “PSO” next to line 16b.

If you are retired on disability and reporting your disability pension on line 7, include only the taxable amount on that line and enter “PSO” and the amount excluded on the dotted line next to line 7.

### Simplified Method

You must use the Simplified Method if either of the following applies.

1. Your annuity starting date was after July 1, 1986, and you used this method last year to figure the taxable part.

2. Your annuity starting date was after November 18, 1996, and both of the following apply.

a. The payments are from a qualified employee plan, a qualified employee annuity, or a tax-sheltered annuity.

b. On your annuity starting date, either you were under age 75 or the number of years of guaranteed payments was fewer than five. See Pub. 575 for the definition of guaranteed payments.

If you must use the Simplified Method, complete the Simplified Method Worksheet in these instructions to figure the taxable part of your pension or annuity. For more details on the Simplified Method, see Pub. 575 or Pub. 721 for U.S. Civil Service retirement benefits.



*If you received U.S. Civil Service retirement benefits and you chose the alternative annuity option, see Pub. 721 to figure the taxable part of your annuity. Do not use the Simplified Method Worksheet in these instructions.*

### Annuity Starting Date

Your annuity starting date is the later of the first day of the first period for which you received a payment or the date the plan's obligations became fixed.

### Age (or Combined Ages) at Annuity Starting Date

If you are the retiree, use your age on the annuity starting date. If you are the survivor of a retiree, use the retiree's age on his or her annuity starting date. But if your annuity starting date was after 1997 and the payments are for your life and that of your beneficiary, use your combined ages on the annuity starting date.

If you are the beneficiary of an employee who died, see Pub. 575. If there is more than one beneficiary, see Pub. 575 or Pub. 721 to figure each beneficiary's taxable amount.

### Cost

Your cost is generally your net investment in the plan as of the annuity starting date. It does not include pre-tax contributions. Your net investment should be shown in box 9b of Form 1099-R for the first year you received payments from the plan.

### Rollovers

Generally, a qualified rollover is a tax-free distribution of cash or other assets from one retirement plan that is contributed to another plan within 60 days of receiving the distribution. However, a qualified rollover to a Roth IRA or a designated Roth account is generally not a tax-free distribution. Use lines 16a and 16b to report a qualified rollover, including a direct rollover, from one qualified employer's plan to another or to an IRA or SEP.

Enter on line 16a the distribution from Form 1099-R, box 1. From this amount, subtract any contributions (usually shown in box 5) that were taxable to you when made. From that result, subtract the amount of the qualified rollover. Enter the remaining amount on line 16b. If the remaining amount is zero and you have no other distribution to report on line 16b, enter zero on line 16b. Also, enter “Rollover” next to line 16b.

See Pub. 575 for more details on rollovers, including special rules that apply to rollovers from designated Roth accounts, partial rollovers of property, and distributions under qualified domestic relations orders.

**2010 Roth IRA rollovers.** If you rolled over part or all of a qualified retirement plan (other than a designated Roth account) to a Roth IRA in 2010 and did not elect to report the taxable amount on your 2010 return, include on line 16b the amount from your 2010 Form 8606, line 25a. However, you may have to include a different amount on line 16b (or include an amount on line 15b instead of line 16b) if either of the following applies.

- You received a distribution from a Roth IRA in 2010 or the owner of the Roth IRA died in 2011. See Pub. 575 to figure the amount to include on line 16b.

- You received a distribution from a Roth IRA in 2011. Use Form 8606 to figure the amount to include on line 15b.

**2010 in-plan Roth rollovers.** If you rolled over part or all of a qualified retirement plan to a designated Roth account in 2010 and did not elect to report the taxable amount on your 2010 return, include on line 16b the amount from your 2010 Form 8606, line 25a. However, you may have to include a different amount on line 16b if either of the following applies.

- You received a distribution from your designated Roth account in 2010 after September 27, or the owner of the designated

Roth account died in 2011. See Pub. 575 to figure the amount to include on line 16b.

- You received a distribution from the designated Roth account in 2011. Use Form 8606 to figure the amount to include on line 16b.

### Lump-Sum Distributions

If you received a lump-sum distribution from a profit-sharing or retirement plan, your Form 1099-R should have the “Total distribution” box in box 2b checked. You may owe an additional tax if you received an early distribution from a qualified retirement plan and the total amount was not rolled over in a qualified rollover. For details, see the instructions for line 58.

Enter the total distribution on line 16a and the taxable part on line 16b. For details, see Pub. 575.



*You may be able to pay less tax on the distribution if you were born before January 2, 1936, or you are the beneficiary of a deceased employee who was born before January 2, 1936. For details, see Form 4972.*

## Line 19

### Unemployment Compensation

You should receive a Form 1099-G showing in box 1 the total unemployment compensation paid to you in 2011. Report this amount on line 19. However, if you made contributions to a governmental unemployment compensation program and you are not itemizing deductions, reduce the amount you report on line 19 by those contributions.

If you received an overpayment of unemployment compensation in 2011 and you repaid any of it in 2011, subtract the amount you repaid from the total amount you received. Enter the result on line 19. Also, enter “Repaid” and the amount you repaid on the dotted line next to line 19. If, in 2011, you repaid unemployment compensation that you included in gross income in an earlier year, you can deduct the amount repaid on Schedule A, line 23. But if you repaid more than \$3,000, see *Repayments* in Pub. 525 for details on how to report the repayment.

## Lines 20a and 20b

### Social Security Benefits

You should receive a Form SSA-1099 showing in box 3 the total social security benefits paid to you. Box 4 will show the amount of any benefits you repaid in 2011. If you received railroad retirement benefits

**Social Security Benefits Worksheet—Lines 20a and 20b**

Keep for Your Records



- Before you begin:**
- ✓ Complete Form 1040, lines 21 and 23 through 32, if they apply to you.
  - ✓ Figure any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36).
  - ✓ If you are married filing separately and you lived apart from your spouse for all of 2011, enter “D” to the right of the word “benefits” on line 20a. If you do not, you may get a math error notice from the IRS.
  - ✓ Be sure you have read the **Exception** in the line 20a and 20b instructions to see if you can use this worksheet instead of a publication to find out if any of your benefits are taxable.

<p><b>1.</b> Enter the total amount from <b>box 5</b> of <b>all</b> your <b>Forms SSA-1099</b> and <b>Forms RRB-1099</b>. Also, enter this amount on Form 1040, line 20a . . . . . <b>1.</b></p>	<p><b>1.</b></p>	
<p><b>2.</b> Enter one-half of line 1 . . . . . <b>2.</b></p>	<p><b>2.</b></p>	
<p><b>3.</b> Combine the amounts from Form 1040, lines 7, 8a, 9a, 10 through 14, 15b, 16b, 17 through 19, and 21 . . . . . <b>3.</b></p>	<p><b>3.</b></p>	
<p><b>4.</b> Enter the amount, if any, from Form 1040, line 8b . . . . . <b>4.</b></p>	<p><b>4.</b></p>	
<p><b>5.</b> Combine lines 2, 3, and 4 . . . . . <b>5.</b></p>	<p><b>5.</b></p>	
<p><b>6.</b> Enter the total of the amounts from Form 1040, lines 23 through 32, plus any write-in adjustments you entered on the dotted line next to line 36 . . . . . <b>6.</b></p>	<p><b>6.</b></p>	
<p><b>7.</b> Is the amount on line 6 less than the amount on line 5?</p> <p><input type="checkbox"/> <b>No.</b>  None of your social security benefits are taxable. Enter -0- on Form 1040, line 20b.</p> <p><input type="checkbox"/> <b>Yes.</b> Subtract line 6 from line 5 . . . . . <b>7.</b></p>	<p><b>7.</b></p>	
<p><b>8.</b> If you are:</p> <ul style="list-style-type: none"> <li>• Married filing jointly, enter \$32,000</li> <li>• Single, head of household, qualifying widow(er), or married filing separately and you <b>lived apart</b> from your spouse for all of 2011, enter \$25,000</li> <li>• Married filing separately and you lived with your spouse at any time in 2011, skip lines 8 through 15; multiply line 7 by 85% (.85) and enter the result on line 16. Then go to line 17</li> </ul>	<p><b>8.</b></p>	
<p><b>9.</b> Is the amount on line 8 less than the amount on line 7?</p> <p><input type="checkbox"/> <b>No.</b>  None of your social security benefits are taxable. Enter -0- on Form 1040, line 20b. If you are married filing separately and you <b>lived apart</b> from your spouse for all of 2011, be sure you entered “D” to the right of the word “benefits” on line 20a.</p> <p><input type="checkbox"/> <b>Yes.</b> Subtract line 8 from line 7 . . . . . <b>9.</b></p>	<p><b>9.</b></p>	
<p><b>10.</b> Enter: \$12,000 if married filing jointly; \$9,000 if single, head of household, qualifying widow(er), or married filing separately and you <b>lived apart</b> from your spouse for all of 2011 . . . . . <b>10.</b></p>	<p><b>10.</b></p>	
<p><b>11.</b> Subtract line 10 from line 9. If zero or less, enter -0- . . . . . <b>11.</b></p>	<p><b>11.</b></p>	
<p><b>12.</b> Enter the <b>smaller</b> of line 9 or line 10 . . . . . <b>12.</b></p>	<p><b>12.</b></p>	
<p><b>13.</b> Enter one-half of line 12 . . . . . <b>13.</b></p>	<p><b>13.</b></p>	
<p><b>14.</b> Enter the <b>smaller</b> of line 2 or line 13 . . . . . <b>14.</b></p>	<p><b>14.</b></p>	
<p><b>15.</b> Multiply line 11 by 85% (.85). If line 11 is zero, enter -0- . . . . . <b>15.</b></p>	<p><b>15.</b></p>	
<p><b>16.</b> Add lines 14 and 15 . . . . . <b>16.</b></p>	<p><b>16.</b></p>	
<p><b>17.</b> Multiply line 1 by 85% (.85) . . . . . <b>17.</b></p>	<p><b>17.</b></p>	
<p><b>18.</b> <b>Taxable social security benefits.</b> Enter the <b>smaller</b> of line 16 or line 17. Also enter this amount on Form 1040, line 20b . . . . . <b>18.</b></p>	<p><b>18.</b></p>	

**TIP** If any of your benefits are taxable for 2011 **and** they include a lump-sum benefit payment that was for an earlier year, you may be able to reduce the taxable amount. See Pub. 915 for details.

treated as social security, you should receive a Form RRB-1099.

Use the Social Security Benefits Worksheet in these instructions to see if any of your benefits are taxable.

**Exception.** Do not use the Social Security Benefits Worksheet in these instructions if any of the following applies.

- You made contributions to a traditional IRA for 2011 and you or your spouse were covered by a retirement plan at work or through self-employment. Instead, use the worksheets in Pub. 590 to see if any of your social security benefits are taxable and to figure your IRA deduction.

- You repaid any benefits in 2011 and your total repayments (box 4) were more than your total benefits for 2011 (box 3). None of your benefits are taxable for 2011. Also, you may be able to take an itemized deduction or a credit for part of the excess repayments if they were for benefits you included in gross income in an earlier year. For more details, see Pub. 915.

- You file Form 2555, 2555-EZ, 4563, or 8815, or you exclude employer-provided adoption benefits or income from sources within Puerto Rico. Instead, use the worksheet in Pub. 915.

## Line 21

### Other Income



Do not report on this line any income from self-employment or fees received as a notary public. Instead, you must use Schedule C, C-EZ, or F, even if you do not have any business expenses. Also, do not report on line 21 any nonemployee compensation shown on Form 1099-MISC (unless it is not self-employment income, such as income from a hobby or a sporadic activity). Instead, see the instructions on Form 1099-MISC to find out where to report that income.

**Taxable income.** Use line 21 to report any taxable income not reported elsewhere on your return or other schedules. List the type and amount of income. If necessary, include a statement showing the required information. For more details, see *Miscellaneous Income* in Pub. 525.

Examples of income to report on line 21 include the following.

- Prizes and awards.
- Jury duty pay. Also, see the instructions for line 36.
- Alaska Permanent Fund dividends.
- Taxable distributions from a Coverdell education savings account (ESA) or a qualified tuition program (QTP). Distribu-

tions from these accounts may be taxable if (a) they are more than the qualified higher education expenses of the designated beneficiary in 2011, and (b) they were not included in a qualified rollover. See Pub. 970. Nontaxable distributions from these accounts, including rollovers, do not have to be reported on Form 1040.



You may have to pay an additional tax if you received a taxable distribution from a Coverdell ESA or a QTP. See the Instructions for Form 5329.

- Taxable distributions from a health savings account (HSA) or an Archer MSA. Distributions from these accounts may be taxable if (a) they are more than the unreimbursed qualified medical expenses of the account beneficiary or account holder in 2011, and (b) they were not included in a qualified rollover. See Pub. 969.



You may have to pay an additional tax if you received a taxable distribution from an HSA or an Archer MSA. See the Instructions for Form 8889 for HSAs or the Instructions for Form 8853 for Archer MSAs.

- Amounts deemed to be income from an HSA because you did not remain an eligible individual during the testing period. See Form 8889, Part III.

- Gambling winnings, including lotteries, raffles, a lump-sum payment from the sale of a right to receive future lottery payments, etc. For details on gambling losses, see the instructions for Schedule A, line 28.



Attach Form(s) W-2G to Form 1040 if any federal income tax was withheld.

- Alternative trade adjustment assistance (ATAA) or reemployment trade adjustment assistance (RTAA) payments. These payments should be shown in box 5 of Form 1099-G.

- Reimbursements or other amounts received for items deducted in an earlier year, such as medical expenses, real estate taxes, general sales taxes, or home mortgage interest. See *Recoveries* in Pub. 525 for details on how to figure the amount to report.

- Income from the rental of personal property if you engaged in the rental for profit but were not in the business of renting such property. Also, see the instructions for line 36.

- Income from an activity not engaged in for profit. See Pub. 535.

- Loss on certain corrective distributions of excess deferrals. See *Retirement Plan Contributions* in Pub. 525.

- Dividends on insurance policies if they exceed the total of all net premiums you paid for the contract.

- Recapture of a charitable contribution deduction relating to the contribution of a fractional interest in tangible personal property. See *Fractional Interest in Tangible Personal Property* in Pub. 526. Interest and an additional 10% tax apply to the amount of the recapture. See the instructions for line 60.

- Recapture of a charitable contribution deduction if the charitable organization disposes of the donated property within 3 years of the contribution. See *Recapture if no exempt use* in Pub. 526.

- Canceled debts. These amounts may be shown in box 2 of Form 1099-C. However, part or all of your income from the cancellation of debt may be nontaxable. See Pub. 4681 or go to IRS.gov and enter “canceled debt” or “foreclosure” in the search box.

- Taxable part of disaster relief payments. See Pub. 525 to figure the taxable part, if any. If any of your disaster relief payment is taxable, attach a statement showing the total payment received and how you figured the taxable part.

**Nontaxable income.** Do not report any nontaxable income on line 21. Examples of nontaxable income include the following.

- Child support.
- Payments you received to help you pay your mortgage loan under the HFA Hardest Hit Fund or the Emergency Homeowners’ Loan Program or similar state program.
- Any Pay-for-Performance Success Payments that reduce the principal balance of your home mortgage under the Home Affordable Modification Program.
- Life insurance proceeds received because of someone’s death (other than from certain employer-owned life insurance contracts).
- Gifts and bequests. However, if you received a gift or bequest from a foreign person of more than \$14,375, you may have to report information about it on Form 3520, Part IV. See the Instructions for Form 3520.

**Net operating loss (NOL) deduction.** Include on line 21 any NOL deduction from an earlier year. Subtract it from any income on line 21 and enter the result. If the result is less than zero, enter it in parentheses. On the dotted line next to line 21, enter “NOL” and show the amount of the deduction in parentheses. See Pub. 536 for details.

## Adjusted Gross Income

### Line 23

#### Educator Expenses

If you were an eligible educator in 2011, you can deduct on line 23 up to \$250 of qualified expenses you paid in 2011. If you and your spouse are filing jointly and both of you were eligible educators, the maximum deduction is \$500. However, neither spouse can deduct more than \$250 of his or her qualified expenses on line 23. You may be able to deduct expenses that are more than the \$250 (or \$500) limit on Schedule A, line 21. An eligible educator is a kindergarten through grade 12 teacher, instructor, counselor, principal, or aide who worked in a school for at least 900 hours during a school year.

Qualified expenses include ordinary and necessary expenses paid in connection with books, supplies, equipment (including computer equipment, software, and services), and other materials used in the classroom. An ordinary expense is one that is common and accepted in your educational field. A necessary expense is one that is helpful and appropriate for your profession as an educator. An expense does not have to be required to be considered necessary.

Qualified expenses do not include expenses for home schooling or for nonathletic supplies for courses in health or physical education.

You must reduce your qualified expenses by the following amounts.

- Excludable U.S. series EE and I savings bond interest from Form 8815.
- Nontaxable qualified tuition program earnings or distributions.
- Any nontaxable distribution of Coverdell education savings account earnings.
- Any reimbursements you received for these expenses that were not reported to you in box 1 of your Form W-2.

For more details, use TeleTax topic 458 or see Pub. 529.

### Line 24

#### Certain Business Expenses of Reservists, Performing Artists, and Fee-Basis Government Officials

Include the following deductions on line 24.

- Certain business expenses of National Guard and reserve members who traveled more than 100 miles from home to perform services as a National Guard or reserve member.
- Performing-arts-related expenses as a qualified performing artist.

- Business expenses of fee-basis state or local government officials.

For more details, see Form 2106 or 2106-EZ.

### Line 25

#### Health Savings Account (HSA) Deduction

You may be able to take this deduction if contributions (other than employer contributions, rollovers, and qualified HSA funding distributions from an IRA) were made to your HSA for 2011. See Form 8889.

### Line 26

#### Moving Expenses

If you moved in connection with your job or business or started a new job, you may be able to take this deduction. But your new workplace must be at least 50 miles farther from your old home than your old home was from your old workplace. If you had no former workplace, your new workplace must be at least 50 miles from your old home. Use TeleTax topic 455 or see Form 3903.

### Line 27

#### Deductible Part of Self-Employment Tax

If you were self-employed and owe self-employment tax, fill in Schedule SE to figure the amount of your deduction. If you completed Section A of Schedule SE, the deductible part of your self-employment tax is on line 6. If you completed Section B of Schedule SE, it is on line 13.

### Line 28

#### Self-Employed SEP, SIMPLE, and Qualified Plans

If you were self-employed or a partner, you may be able to take this deduction. See Pub. 560 or, if you were a minister, Pub. 517.

### Line 29

#### Self-Employed Health Insurance Deduction

You may be able to deduct the amount you paid for health insurance for yourself, your spouse, and your dependents. The insurance can also cover your child who was under age 27 at the end of 2011, even if the child was not your dependent. A child includes your son, daughter, stepchild, adopted child, or foster child (defined in the line 6c instructions).

One of the following statements must be true.

- You were self-employed and had a net profit for the year.
- You were a partner with net earnings from self-employment.
- You used one of the optional methods to figure your net earnings from self-employment on Schedule SE.
- You received wages in 2011 from an S corporation in which you were a more-than-2% shareholder. Health insurance premiums paid or reimbursed by the S corporation are shown as wages on Form W-2.

The insurance plan must be established under your business. Your personal services must have been a material income-producing factor in the business. If you are filing Schedule C, C-EZ, or F, the policy can be either in your name or in the name of the business.

If you are a partner, the policy can be either in your name or in the name of the partnership. You can either pay the premiums yourself or your partnership can pay them and report them as guaranteed payments. If the policy is in your name and you pay the premiums yourself, the partnership must reimburse you and report the premiums as guaranteed payments.

If you are a more-than-2% shareholder in an S corporation, the policy can be either in your name or in the name of the S corporation. You can either pay the premiums yourself or the S corporation can pay them and report them as wages. If the policy is in your name and you pay the premiums yourself, the S corporation must reimburse you. You can deduct the premiums only if the S corporation reports the premiums paid or reimbursed as wages in box 1 of your Form W-2 in 2011 and you also report the premium payments or reimbursements as wages on Form 1040, line 7.

But if you were also eligible to participate in any subsidized health plan maintained by your or your spouse's employer for any month or part of a month in 2011, amounts paid for health insurance coverage for that month cannot be used to figure the deduction. Also, if you were eligible for any month or part of a month to participate in any subsidized health plan maintained by the employer of either your dependent or your child who was under age 27 at the end of 2011, do not use amounts paid for coverage for that month to figure the deduction.

**Example.** If you were eligible to participate in a subsidized health plan maintained by your spouse's employer from September 30 through December 31, you cannot use amounts paid for health insurance coverage for September through December to figure your deduction.

Medicare premiums you voluntarily pay to obtain insurance that is similar to qualifying private health insurance can be used to figure the deduction. Amounts paid for health insurance coverage from retirement plan distributions that were nontaxable because you are a retired public safety officer cannot be used to figure the deduction.

For more details, see Pub. 535.

If you qualify to take the deduction, use the Self-Employed Health Insurance De-

**Self-Employed Health Insurance Deduction Worksheet—Line 29**

Keep for Your Records



**Before you begin:** ✓ If, during 2011, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA (ATAA) recipient, reemployment TAA (RTAA) recipient, or Pension Benefit Guaranty Corporation pension recipient, see the instructions for Form 8885 to figure the amount to enter on line 1 of this worksheet.  
 ✓ Be sure you have read the **Exception** in the instructions for this line to see if you can use this worksheet instead of Pub. 535 to figure your deduction.

<p><b>1.</b> Enter the total amount paid in 2011 for health insurance coverage established under your business (or the S corporation in which you were a more-than-2% shareholder) for 2011 for you, your spouse, and your dependents. Your insurance can also cover your child who was under age 27 at the end of 2011, even if the child was not your dependent. But do not include amounts for any month you were eligible to participate in an employer-sponsored health plan or amounts paid from retirement plan distributions that were nontaxable because you are a retired public safety officer . . .</p>	<p><b>1.</b> _____</p>
<p><b>2.</b> Enter your net profit* and any other earned income** from the business under which the insurance plan is established, minus any deductions on Form 1040, lines 27 and 28. Do not include Conservation Reserve Program payments exempt from self-employment tax . . . . .</p>	<p><b>2.</b> _____</p>
<p><b>3. Self-employed health insurance deduction.</b> Enter the <b>smaller</b> of line 1 or line 2 here and on Form 1040, line 29. <b>Do not</b> include this amount in figuring any medical expense deduction on Schedule A . . . . .</p>	<p><b>3.</b> _____</p>

\*If you used either optional method to figure your net earnings from self-employment, do not enter your net profit. Instead, enter the amount from Schedule SE, Section B, line 4b.  
 \*\***Earned income** includes net earnings and gains from the sale, transfer, or licensing of property you created. However, it does not include capital gain income. If you were a more-than-2% shareholder in the S corporation under which the insurance plan is established, earned income is your Medicare wages (box 5 of Form W-2) from that corporation.

duction Worksheet to figure the amount you can deduct.

**Exception.** Use Pub. 535 instead of the Self-Employed Health Insurance Deduction Worksheet in these instructions to figure your deduction if any of the following applies.

- You had more than one source of income subject to self-employment tax.
- You file Form 2555 or 2555-EZ.
- You are using amounts paid for qualified long-term care insurance to figure the deduction.

**Line 30  
Penalty on Early Withdrawal of Savings**

The Form 1099-INT or Form 1099-OID you received will show the amount of any penalty you were charged.

**Lines 31a and 31b  
Alimony Paid**

If you made payments to or for your spouse or former spouse under a divorce or separation instrument, you may be able to take this deduction. Use TeleTax topic 452 or see Pub. 504.

**Line 32  
IRA Deduction**



If you made any nondeductible contributions to a traditional individual retirement arrangement (IRA) for 2011, you must report them on Form 8606.

If you made contributions to a traditional IRA for 2011, you may be able to take an IRA deduction. But you, or your spouse if filing a joint return, must have had earned income to do so. For IRA purposes, earned income includes alimony and separate maintenance payments reported on line 11. If you were a member of the U.S. Armed Forces, earned income includes any nontaxable combat pay you received. If you were self-employed, earned income is generally your net earnings from self-employment if your personal services were a material income-producing factor. For more details, see Pub. 590. A statement should be sent to you by May 31, 2012, that shows all contributions to your traditional IRA for 2011.

Use the IRA Deduction Worksheet to figure the amount, if any, of your IRA deduction. But read the following 10-item list before you fill in the worksheet.

1. If you were age 70½ or older at the end of 2011, you cannot deduct any contributions made to your traditional IRA for 2011 or treat them as nondeductible contributions.
2. You cannot deduct contributions to a Roth IRA. But you may be able to take the retirement savings contributions credit

(saver's credit). See the instructions for line 50.



If you are filing a joint return and you or your spouse made contributions to both a traditional IRA and a Roth IRA for 2011, do not use the IRA Deduction Worksheet in these instructions. Instead, see Pub. 590 to figure the amount, if any, of your IRA deduction.

3. You cannot deduct elective deferrals to a 401(k) plan, 403(b) plan, section 457 plan, SIMPLE plan, or the federal Thrift Savings Plan. These amounts are not included as income in box 1 of your Form W-2. But you may be able to take the retirement savings contributions credit. See the instructions for line 50.
4. If you made contributions to your IRA in 2011 that you deducted for 2010, do not include them in the worksheet.
5. If you received income from a non-qualified deferred compensation plan or nongovernmental section 457 plan that is included in box 1 of your Form W-2, or in box 7 of Form 1099-MISC, do not include that income on line 8 of the worksheet. The income should be shown in (a) box 11 of your Form W-2, (b) box 12 of your Form W-2 with code Z, or (c) box 15b of Form 1099-MISC. If it is not, contact your employer or the payer for the amount of the income.
6. You must file a joint return to deduct contributions to your spouse's IRA. Enter the total IRA deduction for you and your spouse on line 32.

7. Do not include qualified rollover contributions in figuring your deduction. Instead, see the instructions for lines 15a and 15b.

8. Do not include trustees' fees that were billed separately and paid by you for your IRA. These fees can be deducted only as an itemized deduction on Schedule A.

9. Do not include any repayments of qualified reservist distributions. You cannot deduct them. For information on how to report these repayments, see *Qualified reservist repayments* in Pub. 590.

10. If the total of your IRA deduction on line 32 plus any nondeductible contribution to your traditional IRAs shown on Form 8606 is less than your total traditional IRA

contributions for 2011, see Pub. 590 for special rules.



By April 1 of the year after the year in which you turn age 70½, you must start taking minimum required distributions from your traditional IRA. If you do not, you may have to pay a 50% additional tax on

**IRA Deduction Worksheet—Line 32**

Keep for Your Records



If you were age 70½ or older at the end of 2011, you cannot deduct any contributions made to your traditional IRA or treat them as nondeductible contributions. **Do not** complete this worksheet for anyone age 70½ or older at the end of 2011. If you are married filing jointly and only one spouse was under age 70½ at the end of 2011, complete this worksheet only for that spouse.

**Before you begin:**

- ✓ Be sure you have read the 10-item list in the instructions for this line. You may not be able to use this worksheet.
- ✓ Figure any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36).
- ✓ If you are married filing separately and you lived apart from your spouse for all of 2011, enter "D" on the dotted line next to Form 1040, line 32. If you do not, you may get a math error notice from the IRS.

	Your IRA	Spouse's IRA
1a. Were you covered by a retirement plan (see <i>Were You Covered by a Retirement Plan?</i> )? .....	1a. <input type="checkbox"/> Yes <input type="checkbox"/> No	
b. If married filing jointly, was your spouse covered by a retirement plan? .....		1b. <input type="checkbox"/> Yes <input type="checkbox"/> No
<p><b>Next.</b> If you checked "No" on line 1a (and "No" on line 1b if married filing jointly), skip lines 2 through 6, enter the applicable amount below on line 7a (and line 7b if applicable), and go to line 8.</p> <ul style="list-style-type: none"> <li>• \$5,000, if under age 50 at the end of 2011.</li> <li>• \$6,000, if age 50 or older but under age 70½ at the end of 2011.</li> </ul> <p>Otherwise, go to line 2.</p>		
2. Enter the amount shown below that applies to you.	2a. _____	2b. _____
<ul style="list-style-type: none"> <li>• Single, head of household, or married filing separately and you <b>lived apart</b> from your spouse for all of 2011, enter \$66,000</li> <li>• Qualifying widow(er), enter \$110,000</li> <li>• Married filing jointly, enter \$110,000 in both columns. But if you checked "No" on either line 1a or 1b, enter \$179,000 for the person who was not covered by a plan</li> <li>• Married filing separately and you lived with your spouse at any time in 2011, enter \$10,000</li> </ul>		
3. Enter the amount from Form 1040, line 22 .....	3. _____	
4. Enter the total of the amounts from Form 1040, lines 23 through 31a, plus any write-in adjustments you entered on the dotted line next to line 36 .....	4. _____	
5. Subtract line 4 from line 3. If married filing jointly, enter the result in both columns	5a. _____	5b. _____
6. Is the amount on line 5 less than the amount on line 2?		
<input type="checkbox"/> <b>No.</b> None of your IRA contributions are deductible. For details on nondeductible IRA contributions, see Form 8606.		
<input type="checkbox"/> <b>Yes.</b> Subtract line 5 from line 2 in each column. Follow the instruction below that applies to you.		
<ul style="list-style-type: none"> <li>• If single, head of household, or married filing separately, and the result is \$10,000 or more, enter the applicable amount below on line 7 for that column and go to line 8.                             <ul style="list-style-type: none"> <li>i. \$5,000, if under age 50 at the end of 2011.</li> <li>ii. \$6,000, if age 50 or older but under age 70½ at the end of 2011.</li> </ul> </li> <li>If the result is less than \$10,000, go to line 7.</li> <li>• If married filing jointly or qualifying widow(er), and the result is \$20,000 or more (\$10,000 or more in the column for the IRA of a person who was not covered by a retirement plan), enter the applicable amount below on line 7 for that column and go to line 8.                             <ul style="list-style-type: none"> <li>i. \$5,000, if under age 50 at the end of 2011.</li> <li>ii. \$6,000 if age 50 or older but under age 70½ at the end of 2011.</li> </ul> </li> </ul> <p>Otherwise, go to line 7.</p>	6a. _____	6b. _____

**IRA Deduction Worksheet—Continued**

	Your IRA	Spouse's IRA
<p>7. Multiply lines 6a and 6b by the percentage below that applies to you. If the result is not a multiple of \$10, increase it to the next multiple of \$10 (for example, increase \$490.30 to \$500). If the result is \$200 or more, enter the result. But if it is less than \$200, enter \$200.</p> <ul style="list-style-type: none"> <li>• Single, head of household, or married filing separately, multiply by 50% (.50) (or by 60% (.60) in the column for the IRA of a person who is age 50 or older at the end of 2011)</li> <li>• Married filing jointly or qualifying widow(er), multiply by 25% (.25) (or by 30% (.30) in the column for the IRA of a person who is age 50 or older at the end of 2011). But if you checked “No” on either line 1a or 1b, then in the column for the IRA of the person who was not covered by a retirement plan, multiply by 50% (.50) (or by 60% (.60) if age 50 or older at the end of 2011)</li> </ul>	7a.	7b.
8. Enter the total of your (and your spouse's if filing jointly):		
<ul style="list-style-type: none"> <li>• Wages, salaries, tips, etc. Generally, this is the amount reported in box 1 of Form W-2. Exceptions are explained earlier in these instructions for line 32</li> <li>• Alimony and separate maintenance payments reported on Form 1040, line 11</li> <li>• Nontaxable combat pay. This amount should be reported in box 12 of Form W-2 with code Q</li> </ul>	8.	
9. Enter the earned income you (and your spouse if filing jointly) received as a self-employed individual or a partner. Generally, this is your (and your spouse's if filing jointly) net earnings from self-employment if your personal services were a material income-producing factor, minus any deductions on Form 1040, lines 27 and 28. If zero or less, enter -0-. For more details, see Pub. 590 . . . . .	9.	
10. Add lines 8 and 9 . . . . .	10.	
<div style="display: flex; align-items: center;"> <p style="font-size: small;">If married filing jointly and line 10 is less than \$10,000 (\$11,000 if one spouse is age 50 or older at the end of 2011; \$12,000 if both spouses are age 50 or older at the end of 2011), <b>stop here</b> and see Pub. 590 to figure your IRA deduction.</p> </div>		
11. Enter traditional IRA contributions made, or that will be made by April 17, 2012, for 2011 to your IRA on line 11a and to your spouse's IRA on line 11b . . . . .	11a.	11b.
12. On line 12a, enter the <b>smallest</b> of line 7a, 10, or 11a. On line 12b, enter the <b>smallest</b> of line 7b, 10, or 11b. This is the most you can deduct. Add the amounts on lines 12a and 12b and enter the total on Form 1040, line 32. Or, if you want, you can deduct a smaller amount and treat the rest as a nondeductible contribution (see Form 8606) . . . . .	12a.	12b.

*the amount that should have been distributed. For details, including how to figure the minimum required distribution, see Pub. 590.*

**Were You Covered by a Retirement Plan?**

If you were covered by a retirement plan (qualified pension, profit-sharing (including 401(k)), annuity, SEP, SIMPLE, etc.) at work or through self-employment, your IRA deduction may be reduced or eliminated. But you can still make contributions to an IRA even if you cannot deduct them.

In any case, the income earned on your IRA contributions is not taxed until it is paid to you.

The “Retirement plan” box in box 13 of your Form W-2 should be checked if you were covered by a plan at work even if you were not vested in the plan. You are also covered by a plan if you were self-employed and had a SEP, SIMPLE, or qualified retirement plan.

If you were covered by a retirement plan and you file Form 2555, 2555-EZ, or 8815, or you exclude employer-provided adop-

tion benefits, see Pub. 590 to figure the amount, if any, of your IRA deduction.

**Married persons filing separately.** If you were not covered by a retirement plan but your spouse was, you are considered covered by a plan unless you lived apart from your spouse for all of 2011.



*You may be able to take the retirement savings contributions credit. See the line 50 instructions.*

## Line 33 Student Loan Interest Deduction

You can take this deduction only if all of the following apply.

- You paid interest in 2011 on a qualified student loan (see below).
- Your filing status is any status except married filing separately.
- Your modified adjusted gross income (AGI) is less than: \$75,000 if single, head of household, or qualifying widow(er); \$150,000 if married filing jointly. Use lines 2 through 4 of the worksheet below to figure your modified AGI.
- You, or your spouse if filing jointly, are not claimed as a dependent on someone else's (such as your parent's) 2011 tax return.

Use the worksheet below to figure your student loan interest deduction.

**Exception.** Use Pub. 970 instead of the worksheet below to figure your student loan interest deduction if you file Form 2555, 2555-EZ, or 4563, or you exclude income from sources within Puerto Rico.

**Qualified student loan.** A qualified student loan is any loan you took out to pay the qualified higher education expenses for any of the following individuals.

1. Yourself or your spouse.
2. Any person who was your dependent when the loan was taken out.
3. Any person you could have claimed as a dependent for the year the loan was taken out except that:
  - a. The person filed a joint return,
  - b. The person had gross income that was equal to or more than the exemption amount for that year (\$3,700 for 2011), or
  - c. You, or your spouse if filing jointly, could be claimed as a dependent on someone else's return.

The person for whom the expenses were paid must have been an eligible student (defined later). However, a loan is not a qualified student loan if (a) any of the proceeds were used for other purposes, or (b) the loan was from either a related person or a person who borrowed the proceeds under a qualified employer plan or a contract purchased under such a plan. To find out who is a related person, see Pub. 970.

**Qualified higher education expenses.** Qualified higher education expenses generally include tuition, fees, room and board, and related expenses such as books and supplies. The expenses must be for education in a degree, certificate, or similar program at an eligible educational institution. An eligible educational institution includes

most colleges, universities, and certain vocational schools. You must reduce the expenses by the following benefits.

- Employer-provided educational assistance benefits that are not included in box 1 of Form(s) W-2.
- Excludable U.S. series EE and I savings bond interest from Form 8815.
- Any nontaxable distribution of qualified tuition program earnings.
- Any nontaxable distribution of Coverdell education savings account earnings.
- Any scholarship, educational assistance allowance, or other payment (but not gifts, inheritances, etc.) excluded from income.

For more details on these expenses, see Pub. 970.

**Eligible student.** An eligible student is a person who:

- Was enrolled in a degree, certificate, or other program (including a program of study abroad that was approved for credit by the institution at which the student was enrolled) leading to a recognized educational credential at an eligible educational institution, and
- Carried at least half the normal full-time workload for the course of study he or she was pursuing.

### Student Loan Interest Deduction Worksheet—Line 33

Keep for Your Records 

<b>Before you begin:</b>		✓ Figure any write-in adjustments to be entered on the dotted line next to line 36 (see the instructions for line 36).
	✓	Be sure you have read the <b>Exception</b> above to see if you can use this worksheet instead of Pub. 970 to figure your deduction.
1.	Enter the total interest you paid in 2011 on qualified student loans (see above). <b>Do not</b> enter more than \$2,500	1. <input type="text"/>
2.	Enter the amount from Form 1040, line 22	2. <input type="text"/>
3.	Enter the total of the amounts from Form 1040, lines 23 through 32, plus any write-in adjustments you entered on the dotted line next to line 36	3. <input type="text"/>
4.	Subtract line 3 from line 2	4. <input type="text"/>
5.	Enter the amount shown below for your filing status.	
	<ul style="list-style-type: none"> <li>• Single, head of household, or qualifying widow(er)—\$60,000</li> <li>• Married filing jointly—\$120,000</li> </ul>	5. <input type="text"/>
6.	Is the amount on line 4 more than the amount on line 5?	
	<input type="checkbox"/> <b>No.</b> Skip lines 6 and 7, enter -0- on line 8, and go to line 9.	
	<input type="checkbox"/> <b>Yes.</b> Subtract line 5 from line 4	6. <input type="text"/>
7.	Divide line 6 by \$15,000 (\$30,000 if married filing jointly). Enter the result as a decimal (rounded to at least three places). If the result is 1.000 or more, enter 1.000	7. <input type="text"/>
8.	Multiply line 1 by line 7	8. <input type="text"/>
9.	<b>Student loan interest deduction.</b> Subtract line 8 from line 1. Enter the result here and on Form 1040, line 33. <b>Do not</b> include this amount in figuring any other deduction on your return (such as on Schedule A, C, E, etc.)	9. <input type="text"/>

**Line 34****Tuition and Fees**

If you paid qualified tuition and fees for yourself, your spouse, or your dependent(s), you may be able to take this deduction. See Form 8917.



*You may be able to take a credit for your educational expenses instead of a deduction. See the instructions for line 49 for details.*

**Line 35****Domestic Production Activities Deduction**

You may be able to deduct up to 9% of your qualified production activities income from the following activities.

1. Construction of real property performed in the United States.
2. Engineering or architectural services performed in the United States for construction of real property in the United States.
3. Any lease, rental, license, sale, exchange, or other disposition of:
  - a. Tangible personal property, computer software, and sound recordings that you manufactured, produced, grew, or extracted in whole or in significant part in the United States,
  - b. Any qualified film you produced, or
  - c. Electricity, natural gas, or potable water you produced in the United States.

In certain cases, the references above to the United States include Puerto Rico.

Your deduction may be reduced if you had oil-related qualified production activities income.

The deduction does not apply to income derived from:

- The sale of food and beverages you prepared at a retail establishment;
- Property you leased, licensed, or rented for use by any related person;
- The transmission or distribution of electricity, natural gas, or potable water; or
- The lease, rental, license, sale, exchange, or other disposition of land.

For details, see Form 8903 and its instructions.

**Line 36**

Include in the total on line 36 any of the following write-in adjustments. To find out if you can take the deduction, see the form

or publication indicated. On the dotted line next to line 36, enter the amount of your deduction and identify it as indicated.

- Archer MSA deduction (see Form 8853). Identify as “MSA.”
- Jury duty pay if you gave the pay to your employer because your employer paid your salary while you served on the jury. Identify as “Jury Pay.”
- Deductible expenses related to income reported on line 21 from the rental of personal property engaged in for profit. Identify as “PPR.”
- Reforestation amortization and expenses (see Pub. 535). Identify as “RFST.”
- Repayment of supplemental unemployment benefits under the Trade Act of 1974 (see Pub. 525). Identify as “Sub-Pay TRA.”
- Contributions to section 501(c)(18)(D) pension plans (see Pub. 525). Identify as “501(c)(18)(D).”
- Contributions by certain chaplains to section 403(b) plans (see Pub. 517). Identify as “403(b).”
- Attorney fees and court costs for actions involving certain unlawful discrimination claims, but only to the extent of gross income from such actions (see Pub. 525). Identify as “UDC.”
- Attorney fees and court costs you paid in connection with an award from the IRS for information you provided that helped the IRS detect tax law violations, up to the amount of the award includible in your gross income. Identify as “WBF.”

**Line 37**

If line 37 is less than zero, you may have a net operating loss that you can carry to another tax year. See the Instructions for Form 1045 for details.

**Tax and Credits****Line 39a**

If you were born before January 2, 1947, or were blind at the end of 2011, check the appropriate box(es) on line 39a. If you were married and checked the box on Form 1040, line 6b, and your spouse was born before January 2, 1947, or was blind at the end of 2011, also check the appropriate box(es) for your spouse. Be sure to enter the total number of boxes checked. Do not check any box(es) for your spouse if your filing status is head of household.

**Blindness**

If you were not totally blind as of December 31, 2011, you must get a statement cer-

tified by your eye doctor (ophthalmologist or optometrist) that:

- You cannot see better than 20/200 in your better eye with glasses or contact lenses, or
- Your field of vision is 20 degrees or less.

If your eye condition is not likely to improve beyond the conditions listed above, you can get a statement certified by your eye doctor (ophthalmologist or optometrist) to this effect instead.

You must keep the statement for your records.

**Line 39b**

If your filing status is married filing separately (box 3 is checked), and your spouse itemizes deductions on his or her return, check the box on line 39b. Also check that box if you were a dual-status alien. But if you were a dual-status alien and you file a joint return with your spouse who was a U.S. citizen or resident alien at the end of 2011 and you and your spouse agree to be taxed on your combined worldwide income, do not check the box.

**Line 40****Itemized Deductions or Standard Deduction**

In most cases, your federal income tax will be less if you take the larger of your itemized deductions or standard deduction.

**Itemized Deductions**

To figure your itemized deductions, fill in Schedule A.

**Standard Deduction**

Most people can find their standard deduction by looking at the amounts listed under “All others” to the left of line 40.

**Exception 1 – dependent.** If you, or your spouse if filing jointly, can be claimed as a dependent on someone else’s 2011 return, use the Standard Deduction Worksheet for Dependents to figure your standard deduction.

**Exception 2 – box on line 39a checked.** If you checked any box on line 39a, use the chart below the Standard Deduction Worksheet for Dependents to figure your standard deduction.

**Exception 3 – box on line 39b checked.** If you checked the box on line 39b, your standard deduction is zero, even if you were born before January 2, 1947, or were blind.



*If you received a refund in 2011 of an amount (such as real estate taxes) that increased your standard deduction in an earlier year, you generally have to include the refund in your income. See Recoveries in Pub. 525.*

### Standard Deduction Worksheet for Dependents—Line 40

Keep for Your Records 

Use this worksheet **only** if someone can claim you, or your spouse if filing jointly, as a dependent.

<b>1.</b>	Is your <b>earned income*</b> more than \$650? <input type="checkbox"/> <b>Yes.</b> Add \$300 to your earned income. Enter the total <input type="checkbox"/> <b>No.</b> Enter \$950	}	.....	<b>1.</b>	
<b>2.</b>	Enter the amount shown below for your filing status. <ul style="list-style-type: none"> <li>• Single or married filing separately—\$5,800</li> <li>• Married filing jointly or qualifying widow(er)—\$11,600</li> <li>• Head of household—\$8,500</li> </ul>	}	.....	<b>2.</b>	
<b>3.</b>	<b>Standard deduction.</b>				
<b>a.</b>	Enter the <b>smaller</b> of line 1 or line 2. If born after January 1, 1947, and not blind, <b>stop here</b> and enter this amount on Form 1040, line 40. Otherwise, go to line 3b .....			<b>3a.</b>	
<b>b.</b>	If born before January 2, 1947, or blind, multiply the number on Form 1040, line 39a, by \$1,150 (\$1,450 if single or head of household) .....			<b>3b.</b>	
<b>c.</b>	Add lines 3a and 3b. Enter the total here and on Form 1040, line 40 .....			<b>3c.</b>	

*\* **Earned income** includes wages, salaries, tips, professional fees, and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your income. Generally, your earned income is the total of the amount(s) you reported on Form 1040, lines 7, 12, and 18, minus the amount, if any, on line 27.*

### Standard Deduction Chart for People Who Were Born Before January 2, 1947, or Were Blind

**Do not** use this chart if someone can claim you, or your spouse if filing jointly, as a dependent. Instead, use the worksheet above.

Enter the number from the box on Form 1040, line 39a .....    Do not use the number of exemptions from line 6d.

IF your filing status is . . .	AND the number in the box above is . . .	THEN your standard deduction is . . .
Single	1	\$7,250
	2	8,700
Married filing jointly or Qualifying widow(er)	1	\$12,750
	2	13,900
	3	15,050
	4	16,200
Married filing separately	1	\$6,950
	2	8,100
	3	9,250
	4	10,400
Head of household	1	\$9,950
	2	11,400

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## Line 44

### Tax

Include in the total on line 44 all of the following taxes that apply.

- Tax on your taxable income. Figure the tax using one of the methods described here.
- Tax from Form 8814 (relating to the election to report child's interest or dividends). Check the appropriate box.
- Tax from Form 4972 (relating to lump-sum distributions). Check the appropriate box.
- Tax due to making a section 962 election (the election made by a domestic shareholder of a controlled foreign corporation to be taxed at corporate rates). See section 962 for details. Check the appropriate box and attach a statement showing how you figured the tax.
- Recapture of an education credit. You may owe this tax if you claimed an education credit in an earlier year, and either tax-free educational assistance or a refund of qualified expenses was received in 2011 for the student. See Form 8863 for more details. Enter the amount and "ECR" in the space next to line 44.

#### Do you want the IRS to figure the tax on your taxable income for you?

- Yes.** See chapter 29 of Pub. 17 for details, including who is eligible and what to do. If you have paid too much, we will send you a refund. If you did not pay enough, we will send you a bill.
- No.** Use one of the following methods to figure your tax.

**Tax Table or Tax Computation Worksheet.** If your taxable income is less than \$100,000, you must use the Tax Table, later in these instructions, to figure your tax. Be sure you use the correct column. If your taxable income is \$100,000 or more, use the Tax Computation Worksheet right after the Tax Table.

However, do not use the Tax Table or Tax Computation Worksheet to figure your tax if any of the following applies.

**Form 8615.** Form 8615 generally must be used to figure the tax for any child who had more than \$1,900 of investment income, such as taxable interest, ordinary dividends, or capital gains (including capital gain distributions), and who either:

1. Was under age 18 at the end of 2011,
2. Was age 18 at the end of 2011 and did not have earned income that was more than half of the child's support, or
3. Was a full-time student over age 18 and under age 24 at the end of 2011 and did not have earned income that was more than half of the child's support.

But if the child files a joint return for 2011 or if neither of the child's parents was alive at the end of 2011, do not use Form 8615 to figure the child's tax.

A child born on January 1, 1994, is considered to be age 18 at the end of 2011; a child born on January 1, 1993, is considered to be age 19 at the end of 2011; a child born on January 1, 1988, is considered to be age 24 at the end of 2011.

**Schedule D Tax Worksheet.** If you have to file Schedule D, and line 18 or 19 of Sched-

ule D is more than zero, use the Schedule D Tax Worksheet in the Instructions for Schedule D to figure the amount to enter on Form 1040, line 44. But if you are filing Form 2555 or 2555-EZ, you must use the Foreign Earned Income Tax Worksheet instead.

**Qualified Dividends and Capital Gain Tax Worksheet.** Use the Qualified Dividends and Capital Gain Tax Worksheet, later, to figure your tax if you do not have to use the Schedule D Tax Worksheet and if any of the following applies.

- You reported qualified dividends on Form 1040, line 9b.
- You do not have to file Schedule D and you reported capital gain distributions on Form 1040, line 13.
- You are filing Schedule D and Schedule D, lines 15 and 16, are both more than zero.

But if you are filing Form 2555 or 2555-EZ, you must use the Foreign Earned Income Tax Worksheet instead.

**Schedule J.** If you had income from farming or fishing (including certain amounts received in connection with the Exxon Valdez litigation), your tax may be less if you choose to figure it using income averaging on Schedule J.

**Foreign Earned Income Tax Worksheet.** If you claimed the foreign earned income exclusion, housing exclusion, or housing deduction on Form 2555 or 2555-EZ, you must figure your tax using the Foreign Earned Income Tax Worksheet.

**Foreign Earned Income Tax Worksheet—Line 44**



If Form 1040, line 43, is zero, do not complete this worksheet.

- |  |    |  |
|--|----|--|
| 1. Enter the amount from Form 1040, line 43 . . . . .  | 1. |  |
| 2. Enter the amount from your (and your spouse’s, if filing jointly) Form 2555, lines 45 and 50, or Form 2555-EZ, line 18 . . . . .  | 2. |  |
| 3. Add lines 1 and 2 . . . . .   | 3. |  |
| 4. <b>Tax on the amount on line 3.</b> Use the Tax Table, Tax Computation Worksheet, Qualified Dividends and Capital Gain Tax Worksheet*, Schedule D Tax Worksheet*, or Form 8615, whichever applies. See the instructions for line 44 to see which tax computation method applies. (Do not use a second Foreign Earned Income Tax Worksheet to figure the tax on this line) . . . . . | 4. |  |
| 5. <b>Tax on the amount on line 2.</b> If the amount on line 2 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 2 is \$100,000 or more, use the Tax Computation Worksheet . . . . .   | 5. |  |
| 6. Subtract line 5 from line 4. Enter the result. If zero or less, enter -0-. Also include this amount on Form 1040, line 44 . . . . .   | 6. |  |

*\*Enter the amount from line 3 above on line 1 of the Qualified Dividends and Capital Gain Tax Worksheet or Schedule D Tax Worksheet if you use either of those worksheets to figure the tax on line 4 above. Complete the rest of that worksheet through line 6 (line 10 if you use the Schedule D Tax Worksheet). Next, you must determine if you have a capital gain excess. To find out if you have a capital gain excess, subtract Form 1040, line 43, from line 6 of your Qualified Dividends and Capital Gain Tax Worksheet (line 10 of your Schedule D Tax Worksheet). If the result is more than zero, that amount is your capital gain excess.*

*If you do not have a capital gain excess, complete the rest of either of those worksheets according to the worksheet’s instructions. Then complete lines 5 and 6 above.*

*If you have a capital gain excess, complete a second Qualified Dividends and Capital Gain Tax Worksheet or Schedule D Tax Worksheet (whichever applies) as instructed above but in its entirety and with the following additional modifications. Then complete lines 5 and 6 above. These modifications are to be made only for purposes of filling out the Foreign Earned Income Tax Worksheet above.*

- 1. Reduce (but not below zero) the amount you would otherwise enter on line 3 of your Qualified Dividends and Capital Gain Tax Worksheet or line 9 of your Schedule D Tax Worksheet by your capital gain excess.*
- 2. Reduce (but not below zero) the amount you would otherwise enter on line 2 of your Qualified Dividends and Capital Gain Tax Worksheet or line 6 of your Schedule D Tax Worksheet by any of your capital gain excess not used in (1) above.*
- 3. Reduce (but not below zero) the amount on your Schedule D (Form 1040), line 18, by your capital gain excess.*
- 4. Include your capital gain excess as a loss on line 16 of your Unrecaptured Section 1250 Gain Worksheet in the Instructions for Schedule D (Form 1040).*



**Qualified Dividends and Capital Gain Tax Worksheet—Line 44**

Keep for Your Records

**Before you begin:** ✓ See the earlier instructions for line 44 to see if you can use this worksheet to figure your tax.  
 ✓ If you do not have to file Schedule D and you received capital gain distributions, be sure you checked the box on line 13 of Form 1040.

1. Enter the amount from Form 1040, line 43. However, if you are filing Form 2555 or 2555-EZ (relating to foreign earned income), enter the amount from line 3 of the Foreign Earned Income Tax Worksheet . . . . .	1.	<input type="text"/>
2. Enter the amount from Form 1040, line 9b* . . . . .	2.	<input type="text"/>
3. Are you filing Schedule D?*		
<input type="checkbox"/> <b>Yes.</b> Enter the <b>smaller</b> of line 15 or 16 of Schedule D. If either line 15 or line 16 is blank or a loss, enter -0-	3.	<input type="text"/>
<input type="checkbox"/> <b>No.</b> Enter the amount from Form 1040, line 13		
4. Add lines 2 and 3 . . . . .	4.	<input type="text"/>
5. If filing Form 4952 (used to figure investment interest expense deduction), enter any amount from line 4g of that form. Otherwise, enter -0- . . . . .	5.	<input type="text"/>
6. Subtract line 5 from line 4. If zero or less, enter -0- . . . . .	6.	<input type="text"/>
7. Subtract line 6 from line 1. If zero or less, enter -0- . . . . .	7.	<input type="text"/>
8. Enter: \$34,500 if single or married filing separately, \$69,000 if married filing jointly or qualifying widow(er), \$46,250 if head of household.	8.	<input type="text"/>
9. Enter the smaller of line 1 or line 8 . . . . .		
10. Enter the smaller of line 7 or line 9 . . . . .	10.	<input type="text"/>
11. Subtract line 10 from line 9. This amount is taxed at 0% . . . . .	11.	<input type="text"/>
12. Enter the smaller of line 1 or line 6 . . . . .	12.	<input type="text"/>
13. Enter the amount from line 11 . . . . .	13.	<input type="text"/>
14. Subtract line 13 from line 12 . . . . .	14.	<input type="text"/>
15. Multiply line 14 by 15% (.15) . . . . .	15.	<input type="text"/>
16. Figure the tax on the amount on line 7. If the amount on line 7 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 7 is \$100,000 or more, use the Tax Computation Worksheet . . . . .	16.	<input type="text"/>
17. Add lines 15 and 16 . . . . .	17.	<input type="text"/>
18. Figure the tax on the amount on line 1. If the amount on line 1 is less than \$100,000, use the Tax Table to figure this tax. If the amount on line 1 is \$100,000 or more, use the Tax Computation Worksheet . . . . .	18.	<input type="text"/>
19. <b>Tax on all taxable income.</b> Enter the <b>smaller</b> of line 17 or line 18. Also include this amount on Form 1040, line 44. If you are filing Form 2555 or 2555-EZ, do not enter this amount on Form 1040, line 44. Instead, enter it on line 4 of the Foreign Earned Income Tax Worksheet . . . . .	19.	<input type="text"/>

\*If you are filing Form 2555 or 2555-EZ, see the footnote in the Foreign Earned Income Tax Worksheet before completing this line.

**Line 45****Alternative Minimum Tax**

Use Form 6251 to figure the amount, if any, of your alternative minimum tax (AMT). Also see the Instructions for Form 6251 to see if you must file the form.



An electronic “AMT Assistant” is available on IRS.gov to help you see if you should fill out Form 6251. Enter “AMT Assistant” in the search box.

**Line 47****Foreign Tax Credit**

If you paid income tax to a foreign country, you may be able to take this credit. Generally, you must complete and attach Form 1116 to do so.

**Exception.** You do not have to complete Form 1116 to take this credit if all of the following apply.

1. All of your foreign source gross income was from interest and dividends and all of that income and the foreign tax paid on it were reported to you on Form 1099-INT, Form 1099-DIV, or Schedule K-1 (or substitute statement).

2. The total of your foreign taxes was not more than \$300 (not more than \$600 if married filing jointly).

3. You held the stock or bonds on which the dividends or interest were paid for at least 16 days and were not obligated to pay these amounts to someone else.

4. You are not filing Form 4563 or excluding income from sources within Puerto Rico.

5. All of your foreign taxes were:

a. Legally owed and not eligible for a refund or reduced tax rate under a tax treaty, and

b. Paid to countries that are recognized by the United States and do not support terrorism.

For more details on these requirements, see the Instructions for Form 1116.

**Do you meet all five requirements above?**

**Yes.** Enter on line 47 the smaller of (a) your total foreign taxes, or (b) the amount on Form 1040, line 44.

**No.** See Form 1116 to find out if you can take the credit and, if you can, if you have to file Form 1116.

**Line 48****Credit for Child and Dependent Care Expenses**

You may be able to take this credit if you paid someone to care for:

- Your qualifying child under age 13 whom you claim as your dependent,

- Your disabled spouse or any other disabled person who could not care for himself or herself, or

- Your child whom you could not claim as a dependent because of the rules for *Children of divorced or separated parents* in the instructions for line 6c.

For details, use TeleTax topic 602 or see Form 2441.

**Line 49****Education Credits**

If you (or your dependent) paid qualified expenses in 2011 for yourself, your spouse, or your dependent to enroll in or attend an eligible educational institution, you may be able to take an education credit. See Form 8863 for details. However, you cannot take an education credit if any of the following applies.

- You, or your spouse if filing jointly, are claimed as a dependent on someone else's (such as your parent's) 2011 tax return.

- Your filing status is married filing separately.

- The amount on Form 1040, line 38, is \$90,000 or more (\$180,000 or more if married filing jointly).

- You are taking a deduction for tuition and fees on Form 1040, line 34, for the same student.

- You, or your spouse, were a nonresident alien for any part of 2011 unless your filing status is married filing jointly.

**Line 50****Retirement Savings Contributions Credit (Saver's Credit)**

You may be able to take this credit if you, or your spouse if filing jointly, made (a) contributions, other than rollover contributions, to a traditional or Roth IRA; (b) elective deferrals to a 401(k) or 403(b) plan (including designated Roth contributions) or to a governmental 457, SEP, or SIMPLE plan; (c) voluntary employee contributions to a qualified retirement plan (including the federal Thrift Savings Plan); or (d) contributions to a 501(c)(18)(D) plan.

However, you cannot take the credit if either of the following applies.

1. The amount on Form 1040, line 38, is more than \$28,250 (\$42,375 if head of household; \$56,500 if married filing jointly).

2. The person(s) who made the qualified contribution or elective deferral (a) was born after January 1, 1994, (b) is claimed as a dependent on someone else's 2011 tax return, or (c) was a student (defined next).

You were a student if during any part of 5 calendar months of 2011 you:

- Were enrolled as a full-time student at a school, or

- Took a full-time, on-farm training course given by a school or a state, county, or local government agency.

A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

For more details, use TeleTax topic 610 or see Form 8880.

## Line 51—Child Tax Credit

### Three Steps To Take the Child Tax Credit!

- Step 1.** Make sure you have a qualifying child for the child tax credit. Follow Steps 1 through 3 in the instructions for line 6c. If you do not have a qualifying child, you cannot claim the child tax credit.
- Step 2.** Make sure you checked the box on Form 1040, line 6c, column (4), for each qualifying child.
- Step 3.** Answer the questions below to see if you can use the Child Tax Credit Worksheet to figure your credit or if you must use Pub. 972.

#### Question

#### Who Must Use Pub. 972



1. Are you claiming any of the following credits?
- Mortgage interest credit, Form 8396.
  - District of Columbia first-time homebuyer credit, Form 8859.
  - Residential energy efficient property credit, Form 5695, Part II.
- Yes.**  You must use Pub. 972 to figure your child tax credit. You will also need the form(s) listed above for any credit(s) you are claiming.
- No.** Continue 
- 
2. Are you excluding income from Puerto Rico or are you filing any of the following forms?
- Form 2555 or 2555-EZ (relating to foreign earned income).
  - Form 4563 (exclusion of income for residents of American Samoa).
- Yes.**  You must use Pub. 972 to figure your credit.
- No.** Use the Child Tax Credit Worksheet to figure your credit.



## 2011 Child Tax Credit Worksheet—Line 51

Keep for Your Records



- To be a qualifying child for the child tax credit, the child must be your dependent, **under age 17** at the end of 2011, and meet all the conditions in Steps 1 through 3 in the instructions for line 6c.
- If you do not have a qualifying child, you cannot claim the child tax credit.
- **Do not** use this worksheet if you answered “Yes” to question 1 or 2 of *Who Must Use Pub. 972*, earlier. Instead, use Pub. 972.

### Part 1

1. Number of qualifying children: \_\_\_\_\_ × \$1,000.  
Enter the result.

1	
---	--

2. Enter the amount from Form 1040, line 38.

2	
---	--

3. Enter the amount shown below for your filing status.

- Married filing jointly — \$110,000
- Single, head of household, or qualifying widow(er) — \$75,000
- Married filing separately — \$55,000

3	
---	--

4. Is the amount on line 2 more than the amount on line 3?

**No.** Leave line 4 blank. Enter -0- on line 5, and go to line 6.

**Yes.** Subtract line 3 from line 2.

If the result is not a multiple of \$1,000, increase it to the next multiple of \$1,000. For example, increase \$425 to \$1,000, increase \$1,025 to \$2,000, etc.

4	
---	--

5. Multiply the amount on line 4 by 5% (.05). Enter the result.

5	
---	--

6. Is the amount on line 1 more than the amount on line 5?

**No.**

You cannot take the child tax credit on Form 1040, line 51. You also cannot take the additional child tax credit on Form 1040, line 65. Complete the rest of your Form 1040.

**Yes.** Subtract line 5 from line 1. Enter the result.  
Go to Part 2.

6	
---	--

**2011 Child Tax Credit Worksheet—Continued**

Keep for Your Records



**Before you begin Part 2:** ✓ Figure the amount of any credits you are claiming on Form 5695, Part I; Form 8834, Part I; Form 8910; Form 8936; or Schedule R.

**Part 2**

7. Enter the amount from Form 1040, line 46. 7

8. Add any amounts from:
- Form 1040, line 47 \_\_\_\_\_
  - Form 1040, line 48 + \_\_\_\_\_
  - Form 1040, line 49 + \_\_\_\_\_
  - Form 1040, line 50 + \_\_\_\_\_
  - Form 5695, line 14 + \_\_\_\_\_
  - Form 8834, line 23 + \_\_\_\_\_
  - Form 8910, line 22 + \_\_\_\_\_
  - Form 8936, line 15 + \_\_\_\_\_
  - Schedule R, line 22 + \_\_\_\_\_

Enter the total. 8

9. Are the amounts on lines 7 and 8 the same?

**Yes.**

You cannot take this credit because there is no tax to reduce. However, you may be able to take the **additional child tax credit**. See the **TIP** below.

**No.** Subtract line 8 from line 7.

9

10. Is the amount on line 6 more than the amount on line 9?

**Yes.** Enter the amount from line 9. Also, you may be able to take the **additional child tax credit**. See the **TIP** below.

**This is your child tax credit.**

**No.** Enter the amount from line 6.

10

Enter this amount on Form 1040, line 51.



You may be able to take the **additional child tax credit** on Form 1040, line 65, if you answered “Yes” on line 9 or line 10 above.

- First, complete your Form 1040 through lines 64a and 64b.
- Then, use Form 8812 to figure any additional child tax credit.

## Line 52

### Residential Energy Credits

**Nonbusiness energy property credit.** You may be able to take this credit by completing and attaching Form 5695 for any of the following improvements to your main home located in the United States in 2011 if they are new and meet certain requirements for energy efficiency.

- Any insulation material or system primarily designed to reduce heat gain or loss in your home.
- Exterior windows (including skylights).
- Exterior doors.
- A metal roof or asphalt roof with pigmented coatings or cooling granules primarily designed to reduce the heat gain in your home.

You may also be able to take this credit for the cost of the following items if the items meet certain performance and quality standards.

- Certain electric heat pump water heaters, electric heat pumps, central air conditioners, and natural gas, propane, or oil water heaters.
- A qualified furnace or hot water boiler that uses natural gas, propane, or oil.
- A stove that burns biomass fuel to heat your home or to heat water for use in your home.
- An advanced main air circulating fan used in a natural gas, propane, or oil furnace.

**Residential energy efficient property credit.** You may be able to take this credit by completing and attaching Form 5695 if you paid for any of the following during 2011.

- Qualified solar electric property for use in your home located in the United States.
- Qualified solar water heating property for use in your home located in the United States.
- Qualified fuel cell property installed on or in connection with your main home located in the United States.
- Qualified small wind energy property for use in connection with your home located in the United States.
- Qualified geothermal heat pump property installed on or in connection with your home located in the United States.

**Condos and co-ops.** If you are a member of a condominium management association for a condominium you own or a tenant-stockholder in a cooperative housing corporation, you are treated as having paid your proportionate share of any costs of such association or corporation for purposes of these credits.

**More details.** For details, see Form 5695.

## Line 53

### Other Credits

Enter the total of the following credits on line 53 and check the appropriate box(es). Check all boxes that apply. If box c is checked, also enter the applicable form number. To find out if you can take the credit, see the form or publication indicated.

- **General business credit.** This credit consists of a number of credits that usually apply only to individuals who are partners, shareholders in an S corporation, self-employed, or who have rental property. See Form 3800 or Pub. 334.
- **Credit for prior year minimum tax.** If you paid alternative minimum tax in a prior year, see Form 8801.
- **Mortgage interest credit.** If a state or local government gave you a mortgage credit certificate, see Form 8396.
- **Credit for the elderly or the disabled.** See Schedule R.
- **District of Columbia first-time homebuyer credit.** See Form 8859.
- **Qualified plug-in electric drive motor vehicle credit.** See Form 8936.
- **Qualified plug-in electric vehicle credit.** See Form 8834, Part I.
- **Qualified electric vehicle credit.** You cannot claim this credit for a vehicle placed in service after 2006. You can claim this credit only if you have an electric vehicle passive activity credit carried forward from a prior year. See Form 8834, Part II.
- **Alternative motor vehicle credit.** See Form 8910 if you placed a new fuel cell motor vehicle in service during 2011 or converted a motor vehicle to a qualified plug-in electric drive motor vehicle in 2011.
- **Alternative fuel vehicle refueling property credit.** See Form 8911.
- **Credit to holders of tax credit bonds.** See Form 8912.

## Other Taxes

### Line 57

#### Unreported Social Security and Medicare Tax from Forms 4137 and 8919

Enter the total of any taxes from Form 4137 and Form 8919. Check the appropriate box(es).

**Form 4137.** If you received tips of \$20 or more in any month and you did not report the full amount to your employer, you must pay the social security and Medicare or

railroad retirement (RRTA) tax on the unreported tips.

Do not include the value of any noncash tips, such as tickets or passes. You do not pay social security and Medicare taxes or RRRA tax on these noncash tips.

To figure the social security and Medicare tax, use Form 4137. If you owe RRRA tax, contact your employer. Your employer will figure and collect the RRRA tax.



*You may be charged a penalty equal to 50% of the social security and Medicare or RRRA tax due on tips you received but did not report to your employer.*

**Form 8919.** If you are an employee who received wages from an employer who did not withhold social security and Medicare tax from your wages, use Form 8919 to figure your share of the unreported tax. Include on line 57 the amount from line 13 of Form 8919. Include the amount from line 6 of Form 8919 on Form 1040, line 7.

## Line 58

### Additional Tax on IRAs, Other Qualified Retirement Plans, etc.

If any of the following apply, see Form 5329 and its instructions to find out if you owe this tax and if you must file Form 5329.

1. You received an early distribution from (a) an IRA or other qualified retirement plan, (b) an annuity, or (c) a modified endowment contract entered into after June 20, 1988, and the total distribution was not rolled over in a qualified rollover contribution.
2. Excess contributions were made to your IRAs, Coverdell education savings accounts (ESAs), Archer MSAs, or health savings accounts (HSAs).
3. You received taxable distributions from Coverdell ESAs or qualified tuition programs.
4. You were born before July 1, 1940, and did not take the minimum required distribution from your IRA or other qualified retirement plan.

**Exception.** If only item (1) applies and distribution code 1 is correctly shown in box 7 of Form 1099-R, you do not have to file Form 5329. Instead, multiply the taxable amount of the distribution by 10% (.10) and enter the result on line 58. The taxable amount of the distribution is the part of the distribution you reported on Form 1040, line 15b or line 16b, or on Form 4972. Also, enter "No" under the heading *Other Taxes* to the left of line 58 to indicate that you do not have to file Form 5329. But you must file Form 5329 if distribution code 1

is incorrectly shown in box 7 of Form 1099-R or you qualify for an exception, such as the exceptions for qualified medical expenses, qualified higher education expenses, qualified first-time homebuyer distributions, or a qualified reservist distribution.

## Line 59a

### Household Employment Taxes

Enter the household employment taxes you owe for having a household employee. If any of the following apply, see Schedule H and its instructions to find out if you owe these taxes.

1. You paid any one household employee (defined below) cash wages of \$1,700 or more in 2011. Cash wages include wages paid by check, money order, etc. But do not count amounts paid to an employee who was under age 18 at any time in 2011 and was a student.

2. You withheld federal income tax during 2011 at the request of any household employee.

3. You paid total cash wages of \$1,000 or more in any calendar quarter of 2010 or 2011 to household employees.

Any person who does household work is a household employee if you can control what will be done and how it will be done. Household work includes work done in or around your home by babysitters, nannies, health aides, maids, yard workers, and similar domestic workers.

## Line 59b

### First-time Homebuyer Credit Repayment

Enter the first-time homebuyer credit you have to repay if you:

- Disposed of the home within 36 months after buying it,
- Stopped using the home as your main home within 36 months after buying it, or
- Bought the home in 2008.

If you bought the home in 2008 and owned and used it as your main home for all of 2011, you can enter your 2011 repayment on this line without attaching Form 5405.

See the Form 5405 instructions for details and for exceptions to the repayment rule. Also see the Form 5405 instructions if the home you bought was destroyed, condemned, or disposed of under threat of condemnation and you did not buy a new home within 2 years.

## Line 60

### Other Taxes

Use line 60 to report any taxes not reported elsewhere on your return or other schedules. To find out if you owe the tax, see the form or publication indicated. In the space next to line 60, enter the amount of the tax and the code that identifies it. If you need more room, attach a statement listing the amount of each tax and the code. Enter on line 60 the total of all of the following taxes you owe.

1. Additional tax on health savings account (HSA) distributions (see Form 8889, Part II). Identify as "HSA."

2. Additional tax on an HSA because you did not remain an eligible individual during the testing period (see Form 8889, Part III). Identify as "HDHP."

3. Additional tax on Archer MSA distributions (see Form 8853). Identify as "MSA."

4. Additional tax on Medicare Advantage MSA distributions (see Form 8853). Identify as "Med MSA."

5. Recapture of the following credits.

a. Investment credit (see Form 4255). Identify as "ICR."

b. Low-income housing credit (see Form 8611). Identify as "LIHCR."

c. Qualified plug-in electric vehicle credit (see Form 8834, Part I). Identify as "8834."

d. Indian employment credit (see Form 8845). Identify as "IECR."

e. New markets credit (see Form 8874). Identify as "NMCR."

f. Credit for employer-provided child care facilities (see Form 8882). Identify as "ECCFR."

g. Alternative motor vehicle credit (see Form 8910). Identify as "AMVCR."

h. Alternative fuel vehicle refueling property credit (see Form 8911). Identify as "ARPCR."

i. Qualified plug-in electric drive motor vehicle credit (see Form 8936). Identify as "8936."

6. Recapture of federal mortgage subsidy. If you sold your home in 2011 and it was financed (in whole or in part) from the proceeds of any tax-exempt qualified mortgage bond or you claimed the mortgage interest credit, see Form 8828. Identify as "FMSR."

7. Recapture of COBRA premium assistance. If you received premium assistance under COBRA continuation coverage that covered you, your spouse, or any of your dependents, and your modified adjusted gross income is more than \$125,000 (\$250,000 if married filing jointly), see Pub. 502. Identify as "COBRA."

8. Section 72(m)(5) excess benefits tax (see Pub. 560). Identify as "Sec. 72(m)(5)."

9. Uncollected social security and Medicare or RRTA tax on tips or group-term life insurance. This tax should be shown in box 12 of Form W-2 with codes A and B or M and N. Identify as "UT."

10. Golden parachute payments. If you received an excess parachute payment (EPP), you must pay a 20% tax on it. This tax should be shown in box 12 of Form W-2 with code K. If you received a Form 1099-MISC, the tax is 20% of the EPP shown in box 13. Identify as "EPP."

11. Tax on accumulation distribution of trusts (see Form 4970). Identify as "ADT."

12. Excise tax on insider stock compensation from an expatriated corporation. You may owe a 15% excise tax on the value of nonstatutory stock options and certain other stock-based compensation held by you or a member of your family from an expatriated corporation or its expanded affiliated group in which you were an officer, director, or more-than-10% owner. See section 4985. Identify as "ISC."

13. Interest on the tax due on installment income from the sale of certain residential lots and timeshares. Identify as "453(l)(3)."

14. Interest on the deferred tax on gain from certain installment sales with a sales price over \$150,000. Identify as "453A(c)."

15. Additional tax on recapture of a charitable contribution deduction relating to a fractional interest in tangible personal property. See Pub. 526. Identify as "FITPP."

16. Look-back interest under section 167(g) or 460(b). See Form 8697 or 8866. Identify as "From Form 8697" or "From Form 8866."

17. Any negative amount on Form 8885, line 7, because of advance payments of the health coverage tax credit you received for months you were not eligible. Enter this additional tax as a positive amount. Identify as "HCTC."

18. Additional tax on income you received from a nonqualified deferred compensation plan that fails to meet the requirements of section 409A. This income should be shown in box 12 of Form W-2 with code Z, or in box 15b of Form 1099-MISC. The tax is 20% of the amount required to be included in income plus an interest amount determined under section 409A(a)(1)(B)(ii). See section 409A(a)(1)(B) for details. Identify as "NQDC."

19. Additional tax on compensation you received from a nonqualified deferred compensation plan described in section 457A if the compensation would have been includible in your income in an earlier year except that the amount was not determinable until 2011. The tax is 20% of the amount required to be included in income plus an

interest amount determined under section 457A(c)(2). See section 457A for details. Identify as “457A.”

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## Line 61 Total Tax

Add lines 55 through 60 to get your total tax.

If you are reading “Total Tax” because of what you read in the 2011 Form W-2 Instructions for Employee, see the line 60 instructions instead.

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## Payments

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### Line 62 Federal Income Tax Withheld

Add the amounts shown as federal income tax withheld on your Forms W-2, W-2G, and 1099-R. Enter the total on line 62. The amount withheld should be shown in box 2 of Form W-2 or W-2G, and in box 4 of Form 1099-R. Attach Forms W-2G and 1099-R to the front of your return if federal income tax was withheld.

If you received a 2011 Form 1099 showing federal income tax withheld on dividends, taxable or tax-exempt interest income, unemployment compensation, social security benefits, or other income you received, include the amount withheld in the total on line 62. This should be shown in box 4 of Form 1099 or box 6 of Form SSA-1099.

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### Line 63 2011 Estimated Tax Payments

Enter any estimated federal income tax payments you made for 2011. Include any overpayment that you applied to your 2011 estimated tax from:

- Your 2010 return, or
- An amended return (Form 1040X).

If you and your spouse paid joint estimated tax but are now filing separate income tax returns, you can divide the amount paid in any way you choose as long as you both agree. If you cannot agree, you must divide the payments in proportion to each spouse’s individual tax as shown on your separate returns for 2011. For an example of how to do this, see Pub. 505. You may want to attach an explanation of how

you and your spouse divided the payments. Be sure to show both social security numbers (SSNs) in the space provided on the separate returns. If you or your spouse paid separate estimated tax but you are now filing a joint return, add the amounts you each paid. Follow these instructions even if your spouse died in 2011 or in 2012 before filing a 2011 return.

### Divorced Taxpayers

If you got divorced in 2011 and you made joint estimated tax payments with your former spouse, enter your former spouse’s SSN in the space provided on the front of Form 1040. If you were divorced and remarried in 2011, enter your present spouse’s SSN in the space provided on the front of Form 1040. Also, under the heading *Payments* to the left of line 63, enter your former spouse’s SSN, followed by “DIV.”

### Name Change

If you changed your name because of marriage, divorce, etc., and you made estimated tax payments using your former name, attach a statement to the front of Form 1040. On the statement, explain all the payments you and your spouse made in 2011 and the name(s) and SSN(s) under which you made them.

# Lines 64a and 64b— Earned Income Credit (EIC)

## What Is the EIC?

The EIC is a credit for certain people who work. The credit may give you a refund even if you do not owe any tax.

## To Take the EIC:

- Follow the steps below.
- Complete the worksheet that applies to you or let the IRS figure the credit for you.
- If you have a qualifying child, complete and attach Schedule EIC.

For help in determining if you are eligible for the EIC, go to [www.irs.gov/eitc](http://www.irs.gov/eitc) and click on “EIC Assistant.” This service is available in English and Spanish.



*If you take the EIC even though you are not eligible and it is determined that your error is due to reckless or intentional disregard of the EIC rules, you will not be allowed to take the credit for 2 years even if you are otherwise eligible to do so. If you fraudulently take the EIC, you will not be allowed to take the credit for 10 years. See Form 8862, who must file, later. You may also have to pay penalties.*

## Step 1 All Filers

- If, in 2011:
  - 3 or more children lived with you, is the amount on Form 1040, line 38, less than \$43,998 (\$49,078 if married filing jointly)?
  - 2 children lived with you, is the amount on Form 1040, line 38, less than \$40,964 (\$46,044 if married filing jointly)?
  - 1 child lived with you, is the amount on Form 1040, line 38, less than \$36,052 (\$41,132 if married filing jointly)?
  - No children lived with you, is the amount on Form 1040, line 38, less than \$13,660 (\$18,740 if married filing jointly)?

**Yes.** Continue  **No.** You cannot take the credit.
- Do you, and your spouse if filing a joint return, have a social security number that allows you to work or is valid for EIC purposes (explained later under *Definitions and Special Rules*)?
 

**Yes.** Continue  **No.** You cannot take the credit. Enter “No” on the dotted line next to line 64a.
- Is your filing status married filing separately?
 

**Yes.** You cannot take the credit.  **No.** Continue
- Are you filing Form 2555 or 2555-EZ (relating to foreign earned income)?

**Yes.**

You cannot take the credit.

**No.** Continue

- Were you or your spouse a nonresident alien for any part of 2011?

**Yes.** See *Nonresident aliens*, later, under *Definitions and Special Rules.*  **No.** Go to Step 2.

## Step 2 Investment Income

- Add the amounts from Form 1040:

Line 8a			
Line 8b	+		
Line 9a	+		
Line 13*	+		

**Investment Income** =

\*If line 13 is a loss, enter -0-.

- Is your investment income more than \$3,150?
 

**Yes.** Continue  **No.** Skip question 3; go to question 4.
- Are you filing Form 4797 (relating to sales of business property)?
 

**Yes.** See *Form 4797 filers*, later, under *Definitions and Special Rules.*  **No.** You cannot take the credit.
- Do any of the following apply for 2011?
  - You are filing Schedule E.
  - You are reporting income from the rental of personal property not used in a trade or business.
  - You are reporting income on Form 1040, line 21, from Form 8814 (relating to election to report child’s interest and dividends).

**Yes.** You must use Worksheet 1 in Pub. 596 to see if you can take the credit.  **No.** Go to Step 3.

**Step 3 Qualifying Child**

**A qualifying child for the EIC is a child who is your...**

Son, daughter, stepchild, foster child, brother, sister, stepbrother, stepsister, half brother, half sister, or a descendant of any of them (for example, your grandchild, niece, or nephew)

**AND**

was ...

Under age 19 at the end of 2011 and younger than you (or your spouse, if filing jointly)

or

Under age 24 at the end of 2011, a student (defined later), and younger than you (or your spouse, if filing jointly)

or

Any age and permanently and totally disabled (defined later)

**AND**

Who is not filing a joint return for 2011 or is filing a joint return for 2011 only as a claim for refund (defined later)

**AND**

Who lived with you in the United States for more than half of 2011.

If the child did not live with you for the required time, see *Exception to time lived with you*, later.



*If the child meets the conditions to be a qualifying child of any other person (other than your spouse if filing a joint return) for 2011, see Qualifying child of more than one person, later. If the child was married, see Married child, later.*

1. Do you have at least one child who meets the conditions to be your qualifying child?

- Yes.** The child must have a valid social security number (SSN) as defined later, unless the child was born and died in 2011. If at least one qualifying child has a valid SSN (or was born or died in 2011), go to question 2. Otherwise, you cannot take the credit.
- No.** Skip questions 2 and 3; go to Step 4.

2. Are you filing a joint return for 2011?  
 **Yes.** Skip question 3 and Step 4; go to Step 5.  
 **No.** Continue

3. Could you be a qualifying child of another person in 2011? (Check "No" if the other person is not required to file, and is not filing, a 2011 tax return or is filing a 2011 return only as a claim for refund (defined in the instructions for line 6c).)  
 **Yes.** You cannot take the credit. Enter "No" on the dotted line next to line 64a.  
 **No.** Skip Step 4; go to Step 5.

**Step 4 Filers Without a Qualifying Child**

1. Is the amount on Form 1040, line 38, less than \$13,660 (\$18,740 if married filing jointly)?  
 **Yes.** Continue  
 **No.** You cannot take the credit.

2. Were you, or your spouse if filing a joint return, at least age 25 but under age 65 at the end of 2011? (Check "Yes" if you were born after December 31, 1946, and before January 2, 1987.) If your spouse died in 2011, see Pub. 596 before you answer.  
 **Yes.** Continue  
 **No.** You cannot take the credit.

3. Was your main home, and your spouse's if filing a joint return, in the United States for more than half of 2011? Members of the military stationed outside the United States, see *Members of the military*, later, before you answer.  
 **Yes.** Continue  
 **No.** You cannot take the credit. Enter "No" on the dotted line next to line 64a.

4. Are you filing a joint return for 2011?  
 **Yes.** Skip questions 5 and 6; go to Step 5.  
 **No.** Continue

5. Could you be a qualifying child of another person in 2011?  
 **Yes.** You cannot take the credit. Enter "No" on the dotted line next to line 64a.  
 **No.** Continue

6. Can you be claimed as a dependent on someone else's 2011 tax return?  
 **Yes.** You cannot take the credit.  
 **No.** Go to Step 5.

## Step 5 Earned Income

1. Are you filing Schedule SE because you were a member of the clergy or you had church employee income of \$108.28 or more?

- Yes.** See *Clergy or Church employees*, whichever applies.  **No.** Continue 

2. Figure earned income:

Form 1040, line 7 \_\_\_\_\_

Subtract, if included on line 7, any:

- Taxable scholarship or fellowship grant not reported on a Form W-2.
- Amount received for work performed while an inmate in a penal institution (enter "PRI" and the amount subtracted on the dotted line next to Form 1040, line 7).
- Amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (enter "DFC" and the amount subtracted on the dotted line next to Form 1040, line 7). This amount may be shown in box 11 of Form W-2. If you received such an amount but box 11 is blank, contact your employer for the amount received as a pension or annuity.

Add all of your nontaxable combat pay if you elect to include it in earned income. Also enter this amount on Form 1040, line 64b. See *Combat pay, nontaxable* later.

+ \_\_\_\_\_



*Electing to include nontaxable combat pay may increase or decrease your EIC. Figure the credit with and without your nontaxable combat pay before making the election.*

**Earned Income** =

3. Were you self-employed at any time in 2011, or are you filing Schedule SE because you were a member of the clergy or you had church employee income, or are you filing Schedule C or C-EZ as a statutory employee?

- Yes.** Skip question 4 and Step 6; go to Worksheet B.  **No.** Continue 

4. If you have:

- 3 or more qualifying children, is your earned income less than \$43,998 (\$49,078 if married filing jointly)?
- 2 qualifying children, is your earned income less than \$40,964 (\$46,044 if married filing jointly)?
- 1 qualifying child, is your earned income less than \$36,052 (\$41,132 if married filing jointly)?

- No qualifying children, is your earned income less than \$13,660 (\$18,740 if married filing jointly)?

- Yes.** Go to Step 6.  **No.** 

You cannot take the credit.

## Step 6 How To Figure the Credit

1. Do you want the IRS to figure the credit for you?

- Yes.** See *Credit figured by the IRS*, later.  **No.** Go to Worksheet A.

### Definitions and Special Rules

**Adopted child.** An adopted child is always treated as your own child. An adopted child includes a child lawfully placed with you for legal adoption.

**Church employees.** Determine how much of the amount on Form 1040, line 7, was also reported on Schedule SE, Section B, line 5a. Subtract that amount from the amount on Form 1040, line 7, and enter the result in the first space of Step 5, line 2. Be sure to answer "Yes" to question 3 in Step 5.

**Claim for refund.** A claim for refund is a return filed only to get a refund of withheld income tax or estimated tax paid. A return is not a claim for refund if the EIC or any other similar refundable credit is claimed on it.

**Clergy.** The following instructions apply to ministers, members of religious orders who have not taken a vow of poverty, and Christian Science practitioners. If you are filing Schedule SE and the amount on line 2 of that schedule includes an amount that was also reported on Form 1040, line 7:

1. Enter "Clergy" on the dotted line next to Form 1040, line 64a.
2. Determine how much of the amount on Form 1040, line 7, was also reported on Schedule SE, Section A, line 2, or Section B, line 2.
3. Subtract that amount from the amount on Form 1040, line 7. Enter the result in the first space of Step 5, line 2.
4. Be sure to answer "Yes" to question 3 in Step 5.

**Combat pay, nontaxable.** If you were a member of the U.S. Armed Forces who served in a combat zone, certain pay is excluded from your income. See *Combat Zone Exclusion* in Pub. 3. You can elect to include this pay in your earned income when figuring the EIC. The amount of your nontaxable combat pay should be shown in box 12 of Form(s) W-2 with code Q. If you are filing a joint return and both you and your spouse received nontaxable combat pay, you can each make your own election.

**Credit figured by the IRS.** To have the IRS figure your EIC:

1. Enter "EIC" on the dotted line next to Form 1040, line 64a.
2. Be sure you enter the nontaxable combat pay you elect to include in earned income on Form 1040, line 64b. See *Combat pay, nontaxable*, above.
3. If you have a qualifying child, complete and attach Schedule EIC. If your EIC for a year after 1996 was reduced or disallowed, see *Form 8862, who must file*, later.

**Exception to time lived with you.** Temporary absences by you or the child for special circumstances, such as school, vacation, business, medical care, military service, or detention in a juvenile facility, count as time the child lived with you. Also see *Kidnapped child* in the instructions for line 6c or *Members of the military*, later. A child is considered to have lived with you for all of 2011 if the child was born or died in 2011 and your home was this child's home for the entire time he or she was alive in 2011.

**Form 4797 filers.** If the amount on Form 1040, line 13, includes an amount from Form 4797, you must use Worksheet 1 in Pub. 596 to

see if you can take the EIC. Otherwise, stop; you cannot take the EIC.

**Form 8862, who must file.** You must file Form 8862 if your EIC for a year after 1996 was reduced or disallowed for any reason other than a math or clerical error. But do not file Form 8862 if either of the following applies.

- You filed Form 8862 for another year, the EIC was allowed for that year, and your EIC has not been reduced or disallowed again for any reason other than a math or clerical error.
- You are taking the EIC without a qualifying child and the only reason your EIC was reduced or disallowed in the other year was because it was determined that a child listed on Schedule EIC was not your qualifying child.

Also, do not file Form 8862 or take the credit for the:

- 2 years after the most recent tax year for which there was a final determination that your EIC claim was due to reckless or intentional disregard of the EIC rules, or
- 10 years after the most recent tax year for which there was a final determination that your EIC claim was due to fraud.

**Foster child.** A foster child is any child placed with you by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction. For more details on authorized placement agencies, see Pub. 596.

**Married child.** A child who was married at the end of 2011 is a qualifying child only if (a) you can claim him or her as your dependent on Form 1040, line 6c, or (b) you could have claimed him or her as your dependent except for the special rule for *Children of divorced or separated parents* in the instructions for line 6c.

**Members of the military.** If you were on extended active duty outside the United States, your main home is considered to be in the United States during that duty period. Extended active duty is military duty ordered for an indefinite period or for a period of more than 90 days. Once you begin serving extended active duty, you are considered to be on extended active duty even if you do not serve more than 90 days.

**Nonresident aliens.** If your filing status is married filing jointly, go to Step 2. Otherwise, stop; you cannot take the EIC. Enter “No” on the dotted line next to line 64a.

**Permanently and totally disabled.** A person is permanently and totally disabled if, at any time in 2011, the person could not engage in any substantial gainful activity because of a physical or mental condition and a doctor has determined that this condition (a) has lasted or can be expected to last continuously for at least a year, or (b) can be expected to lead to death.

**Qualifying child of more than one person.** Even if a child meets the conditions to be the qualifying child of more than one person, only one person can claim the child as a qualifying child for all of the following tax benefits, unless the special rule for *Children of divorced or separated parents* in the instructions for line 6c applies.

1. Dependency exemption (line 6c).
2. Child tax credits (lines 51 and 65).
3. Head of household filing status (line 4).
4. Credit for child and dependent care expenses (line 48).
5. Exclusion for dependent care benefits (Form 2441, Part III).
6. Earned income credit (lines 64a and 64b).

No other person can take any of the six tax benefits listed above unless he or she has a different qualifying child. If you and any other person can claim the child as a qualifying child, the following rules apply.

- If only one of the persons is the child’s parent, the child is treated as the qualifying child of the parent.
- If the parents do not file a joint return together but both parents claim the child as a qualifying child, the IRS will treat the child as the qualifying child of the parent with whom the child lived for the longer period of time in 2011. If the child lived with each parent for the same amount of time, the IRS will treat the child as the qualifying child of the parent who had the higher adjusted gross income (AGI) for 2011.
- If no parent can claim the child as a qualifying child, the child is treated as the qualifying child of the person who had the highest AGI for 2011.
- If a parent can claim the child as a qualifying child but no parent does so claim the child, the child is treated as the qualifying child of the person who had the highest AGI for 2011, but only if that person’s AGI is higher than the highest AGI of any parent of the child who can claim the child.

**Example.** Your daughter meets the conditions to be a qualifying child for both you and your mother. Your daughter does not meet the conditions to be a qualifying child of any other person, including her other parent. Under the rules above, you can claim your daughter as a qualifying child for all of the six tax benefits listed here for which you otherwise qualify. Your mother cannot claim any of the six tax benefits listed here unless she has a different qualifying child. However, if your mother’s AGI is higher than yours and you do not claim your daughter as a qualifying child, your daughter is the qualifying child of your mother.

For more details and examples, see Pub. 596.

If you will not be taking the EIC with a qualifying child, enter “No” on the dotted line next to line 64a. Otherwise, go to Step 3, question 1.

**Social security number (SSN).** For the EIC, a valid SSN is a number issued by the Social Security Administration unless “Not Valid for Employment” is printed on the social security card and the number was issued solely to apply for or receive a federally funded benefit.

To find out how to get an SSN, see *Social Security Number (SSN)* near the beginning of these instructions. If you will not have an SSN by the date your return is due, see *What if You Cannot File on Time?*

**Student.** A student is a child who during any part of 5 calendar months of 2011 was enrolled as a full-time student at a school, or took a full-time, on-farm training course given by a school or a state, county, or local government agency. A school includes a technical, trade, or mechanical school. It does not include an on-the-job training course, correspondence school, or school offering courses only through the Internet.

**Welfare benefits, effect of credit on.** Any refund you receive as a result of taking the EIC cannot be counted as income when determining if you or anyone else is eligible for benefits or assistance, or how much you or anyone else can receive, under any federal program or under any state or local program financed in whole or in part with federal funds. These programs include Temporary Assistance for Needy Families (TANF), Medicaid, Supplemental Security Income (SSI), and Supplemental Nutrition Assistance Program (food stamps). In addition, when determining eligibility, the refund cannot be counted as a resource for at least 12 months after you receive it. Check with your local benefit coordinator to find out if your refund will affect your benefits.

**Before you begin:** ✓ Be sure you are using the correct worksheet. Use this worksheet only if you answered “No” to Step 5, question 3. Otherwise, use Worksheet B.

**Part 1**

**All Filers Using Worksheet A**

1. Enter your earned income from Step 5. 1

2. Look up the amount on line 1 above in the EIC Table (right after Worksheet B) to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 2

If line 2 is zero,  You cannot take the credit. Enter “No” on the dotted line next to line 64a.

3. Enter the amount from Form 1040, line 38. 3

4. Are the amounts on lines 3 and 1 the same?
- Yes.** Skip line 5; enter the amount from line 2 on line 6.
- No.** Go to line 5.

**Part 2**

**Filers Who Answered “No” on Line 4**

5. If you have:
- No qualifying children, is the amount on line 3 less than \$7,600 (\$12,700 if married filing jointly)?
  - 1 or more qualifying children, is the amount on line 3 less than \$16,700 (\$21,800 if married filing jointly)?

- Yes.** Leave line 5 blank; enter the amount from line 2 on line 6.
- No.** Look up the amount on line 3 in the EIC Table to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. Look at the amounts on lines 5 and 2. Then, enter the **smaller** amount on line 6.

5

**Part 3**

**Your Earned Income Credit**

6. **This is your earned income credit.** 6

Enter this amount on Form 1040, line 64a.

**Reminder—**

✓ If you have a qualifying child, complete and attach Schedule EIC.



*If your EIC for a year after 1996 was reduced or disallowed, see Form 8862, who must file, earlier, to find out if you must file Form 8862 to take the credit for 2011.*



**Use this worksheet if you answered “Yes” to Step 5, question 3.**

- ✓ Complete the parts below (Parts 1 through 3) that apply to you. Then, continue to Part 4.
- ✓ If you are married filing a joint return, include your spouse’s amounts, if any, with yours to figure the amounts to enter in Parts 1 through 3.

<p><b>Part 1</b></p> <p><b>Self-Employed, Members of the Clergy, and People With Church Employee Income Filing Schedule SE</b></p>	<p>1a. Enter the amount from Schedule SE, Section A, line 3, or Section B, line 3, whichever applies.</p>	1a	
	<p>b. Enter any amount from Schedule SE, Section B, line 4b, and line 5a.</p>	+ 1b	
	<p>c. Combine lines 1a and 1b.</p>	= 1c	
	<p>d. Enter the amount from Schedule SE, Section A, line 6, or Section B, line 13, whichever applies.</p>	- 1d	
	<p>e. Subtract line 1d from 1c.</p>	= 1e	

<p><b>Part 2</b></p> <p><b>Self-Employed NOT Required To File Schedule SE</b></p> <p>For example, your net earnings from self-employment were less than \$400.</p>	<p>2. Do not include on these lines any statutory employee income, any net profit from services performed as a notary public, any amount exempt from self-employment tax as the result of the filing and approval of Form 4029 or Form 4361, or any other amounts exempt from self-employment tax.</p>	
	<p>a. Enter any net farm profit or (loss) from Schedule F, line 34, and from farm partnerships, Schedule K-1 (Form 1065), box 14, code A*.</p>	2a
	<p>b. Enter any net profit or (loss) from Schedule C, line 31; Schedule C-EZ, line 3; Schedule K-1 (Form 1065), box 14, code A (other than farming); and Schedule K-1 (Form 1065-B), box 9, code J1*.</p>	+ 2b
<p>c. Combine lines 2a and 2b.</p>	= 2c	
<p><i>*If you have any Schedule K-1 amounts, complete the appropriate line(s) of Schedule SE, Section A. Reduce the Schedule K-1 amounts as described in the Partner’s Instructions for Schedule K-1. Enter your name and social security number on Schedule SE and attach it to your return.</i></p>		

<p><b>Part 3</b></p> <p><b>Statutory Employees Filing Schedule C or C-EZ</b></p>	<p>3. Enter the amount from Schedule C, line 1c, or Schedule C-EZ, line 1c, that you are filing as a statutory employee.</p>	3
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<p><b>Part 4</b></p> <p><b>All Filers Using Worksheet B</b></p> <p><b>Note.</b> If line 4b includes income on which you should have paid self-employment tax but did not, we may reduce your credit by the amount of self-employment tax not paid.</p>	<p>4a. Enter your earned income from Step 5.</p>	4a
	<p>b. Combine lines 1e, 2c, 3, and 4a. <b>This is your total earned income.</b></p>	4b
<p>If line 4b is zero or less,  You cannot take the credit. Enter “No” on the dotted line next to line 64a.</p>		
<p>5. If you have:</p> <ul style="list-style-type: none"> <li>● 3 or more qualifying children, is line 4b less than \$43,998 (\$49,078 if married filing jointly)?</li> <li>● 2 qualifying children, is line 4b less than \$40,964 (\$46,044 if married filing jointly)?</li> <li>● 1 qualifying child, is line 4b less than \$36,052 (\$41,132 if married filing jointly)?</li> <li>● No qualifying children, is line 4b less than \$13,660 (\$18,740 if married filing jointly)?</li> </ul> <p><input type="checkbox"/> <b>Yes.</b> If you want the IRS to figure your credit, see <i>Credit figured by the IRS</i>, earlier. If you want to figure the credit yourself, enter the amount from line 4b on line 6 of this worksheet.</p> <p><input type="checkbox"/> <b>No.</b>  You cannot take the credit. Enter “No” on the dotted line next to line 64a.</p>		



**Part 5**

**All Filers Using Worksheet B**

6. Enter your total earned income from Part 4, line 4b. 

<b>6</b>	
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7. Look up the amount on line 6 above in the EIC Table to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 

<b>7</b>	
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If line 7 is zero, You cannot take the credit. Enter "No" on the dotted line next to line 64a.

8. Enter the amount from Form 1040, line 38. 

<b>8</b>	
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9. Are the amounts on lines 8 and 6 the same?
- Yes.** Skip line 10; enter the amount from line 7 on line 11.
- No.** Go to line 10.

**Part 6**

**Filers Who Answered "No" on Line 9**

10. If you have:

- No qualifying children, is the amount on line 8 less than \$7,600 (\$12,700 if married filing jointly)?
- 1 or more qualifying children, is the amount on line 8 less than \$16,700 (\$21,800 if married filing jointly)?

**Yes.** Leave line 10 blank; enter the amount from line 7 on line 11.

**No.** Look up the amount on line 8 in the EIC Table to find the credit. Be sure you use the correct column for your filing status and the number of children you have. Enter the credit here. 

<b>10</b>	
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Look at the amounts on lines 10 and 7. Then, enter the **smaller** amount on line 11.

**Part 7**

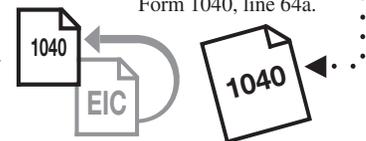
**Your Earned Income Credit**

11. **This is your earned income credit.**

<b>11</b>	
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**Reminder—**

✓ If you have a qualifying child, complete and attach Schedule EIC.



Enter this amount on Form 1040, line 64a.



*If your EIC for a year after 1996 was reduced or disallowed, see Form 8862, who must file, earlier, to find out if you must file Form 8862 to take the credit for 2011.*

# 2011 Earned Income Credit (EIC) Table

**Caution.** This is not a tax table.

1. To find your credit, read down the "At least - But less than" columns and find the line that includes the amount you were told to look up from your EIC Worksheet.

2. Then, go to the column that includes your filing status and the number of qualifying children you have. Enter the credit from that column on your EIC Worksheet.

**Example.** If your filing status is single, you have one qualifying child, and the amount you are looking up from your EIC Worksheet is \$2,455, you would enter \$842.

If the amount you are looking up from the worksheet is—		And your filing status is—			
		Single, head of household, or qualifying widow(er) and you have—			
		No children	One child	Two children	Three children
At least	But less than	Your credit is—			
2,400	2,450	186	825	970	1,091
2,450	2,500	189	842	990	1,114

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
\$1	\$50	\$2	\$9	\$10	\$11	\$2	\$9	\$10	\$11
50	100	6	26	30	34	6	26	30	34
100	150	10	43	50	56	10	43	50	56
150	200	13	60	70	79	13	60	70	79
200	250	17	77	90	101	17	77	90	101
250	300	21	94	110	124	21	94	110	124
300	350	25	111	130	146	25	111	130	146
350	400	29	128	150	169	29	128	150	169
400	450	33	145	170	191	33	145	170	191
450	500	36	162	190	214	36	162	190	214
500	550	40	179	210	236	40	179	210	236
550	600	44	196	230	259	44	196	230	259
600	650	48	213	250	281	48	213	250	281
650	700	52	230	270	304	52	230	270	304
700	750	55	247	290	326	55	247	290	326
750	800	59	264	310	349	59	264	310	349
800	850	63	281	330	371	63	281	330	371
850	900	67	298	350	394	67	298	350	394
900	950	71	315	370	416	71	315	370	416
950	1,000	75	332	390	439	75	332	390	439
1,000	1,050	78	349	410	461	78	349	410	461
1,050	1,100	82	366	430	484	82	366	430	484
1,100	1,150	86	383	450	506	86	383	450	506
1,150	1,200	90	400	470	529	90	400	470	529
1,200	1,250	94	417	490	551	94	417	490	551
1,250	1,300	98	434	510	574	98	434	510	574
1,300	1,350	101	451	530	596	101	451	530	596
1,350	1,400	105	468	550	619	105	468	550	619
1,400	1,450	109	485	570	641	109	485	570	641
1,450	1,500	113	502	590	664	113	502	590	664
1,500	1,550	117	519	610	686	117	519	610	686
1,550	1,600	120	536	630	709	120	536	630	709
1,600	1,650	124	553	650	731	124	553	650	731
1,650	1,700	128	570	670	754	128	570	670	754
1,700	1,750	132	587	690	776	132	587	690	776
1,750	1,800	136	604	710	799	136	604	710	799
1,800	1,850	140	621	730	821	140	621	730	821
1,850	1,900	143	638	750	844	143	638	750	844
1,900	1,950	147	655	770	866	147	655	770	866
1,950	2,000	151	672	790	889	151	672	790	889
2,000	2,050	155	689	810	911	155	689	810	911
2,050	2,100	159	706	830	934	159	706	830	934
2,100	2,150	163	723	850	956	163	723	850	956
2,150	2,200	166	740	870	979	166	740	870	979
2,200	2,250	170	757	890	1,001	170	757	890	1,001
2,250	2,300	174	774	910	1,024	174	774	910	1,024
2,300	2,350	178	791	930	1,046	178	791	930	1,046
2,350	2,400	182	808	950	1,069	182	808	950	1,069
2,400	2,450	186	825	970	1,091	186	825	970	1,091
2,450	2,500	189	842	990	1,114	189	842	990	1,114

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
2,500	2,550	193	859	1,010	1,136	193	859	1,010	1,136
2,550	2,600	197	876	1,030	1,159	197	876	1,030	1,159
2,600	2,650	201	893	1,050	1,181	201	893	1,050	1,181
2,650	2,700	205	910	1,070	1,204	205	910	1,070	1,204
2,700	2,750	208	927	1,090	1,226	208	927	1,090	1,226
2,750	2,800	212	944	1,110	1,249	212	944	1,110	1,249
2,800	2,850	216	961	1,130	1,271	216	961	1,130	1,271
2,850	2,900	220	978	1,150	1,294	220	978	1,150	1,294
2,900	2,950	224	995	1,170	1,316	224	995	1,170	1,316
2,950	3,000	228	1,012	1,190	1,339	228	1,012	1,190	1,339
3,000	3,050	231	1,029	1,210	1,361	231	1,029	1,210	1,361
3,050	3,100	235	1,046	1,230	1,384	235	1,046	1,230	1,384
3,100	3,150	239	1,063	1,250	1,406	239	1,063	1,250	1,406
3,150	3,200	243	1,080	1,270	1,429	243	1,080	1,270	1,429
3,200	3,250	247	1,097	1,290	1,451	247	1,097	1,290	1,451
3,250	3,300	251	1,114	1,310	1,474	251	1,114	1,310	1,474
3,300	3,350	254	1,131	1,330	1,496	254	1,131	1,330	1,496
3,350	3,400	258	1,148	1,350	1,519	258	1,148	1,350	1,519
3,400	3,450	262	1,165	1,370	1,541	262	1,165	1,370	1,541
3,450	3,500	266	1,182	1,390	1,564	266	1,182	1,390	1,564
3,500	3,550	270	1,199	1,410	1,586	270	1,199	1,410	1,586
3,550	3,600	273	1,216	1,430	1,609	273	1,216	1,430	1,609
3,600	3,650	277	1,233	1,450	1,631	277	1,233	1,450	1,631
3,650	3,700	281	1,250	1,470	1,654	281	1,250	1,470	1,654
3,700	3,750	285	1,267	1,490	1,676	285	1,267	1,490	1,676
3,750	3,800	289	1,284	1,510	1,699	289	1,284	1,510	1,699
3,800	3,850	293	1,301	1,530	1,721	293	1,301	1,530	1,721
3,850	3,900	296	1,318	1,550	1,744	296	1,318	1,550	1,744
3,900	3,950	300	1,335	1,570	1,766	300	1,335	1,570	1,766
3,950	4,000	304	1,352	1,590	1,789	304	1,352	1,590	1,789
4,000	4,050	308	1,369	1,610	1,811	308	1,369	1,610	1,811
4,050	4,100	312	1,386	1,630	1,834	312	1,386	1,630	1,834
4,100	4,150	316	1,403	1,650	1,856	316	1,403	1,650	1,856
4,150	4,200	319	1,420	1,670	1,879	319	1,420	1,670	1,879
4,200	4,250	323	1,437	1,690	1,901	323	1,437	1,690	1,901
4,250	4,300	327	1,454	1,710	1,924	327	1,454	1,710	1,924
4,300	4,350	331	1,471	1,730	1,946	331	1,471	1,730	1,946
4,350	4,400	335	1,488	1,750	1,969	335	1,488	1,750	1,969
4,400	4,450	339	1,505	1,770	1,991	339	1,505	1,770	1,991
4,450	4,500	342	1,522	1,790	2,014	342	1,522	1,790	2,014
4,500	4,550	346	1,539	1,810	2,036	346	1,539	1,810	2,036
4,550	4,600	350	1,556	1,830	2,059	350	1,556	1,830	2,059
4,600	4,650	354	1,573	1,850	2,081	354	1,573	1,850	2,081
4,650	4,700	358	1,590	1,870	2,104	358	1,590	1,870	2,104
4,700	4,750	361	1,607	1,890	2,126	361	1,607	1,890	2,126
4,750	4,800	365	1,624	1,910	2,149	365	1,624	1,910	2,149
4,800	4,850	369	1,641	1,930	2,171	369	1,641	1,930	2,171
4,850	4,900	373	1,658	1,950	2,194	373	1,658	1,950	2,194
4,900	4,950	377	1,675	1,970	2,216	377	1,675	1,970	2,216
4,950	5,000	381	1,692	1,990	2,239	381	1,692	1,990	2,239
5,000	5,050	384	1,709	2,010	2,261	384	1,709	2,010	2,261
5,050	5,100	388	1,726	2,030	2,284	388	1,726	2,030	2,284
5,100	5,150	392	1,743	2,050	2,306	392	1,743	2,050	2,306
5,150	5,200	396	1,760	2,070	2,329	396	1,760	2,070	2,329
5,200	5,250	400	1,777	2,090	2,351	400	1,777	2,090	2,351
5,250	5,300	404	1,794	2,110	2,374	404	1,794	2,110	2,374
5,300	5,350	407	1,811	2,130	2,396	407	1,811	2,130	2,396
5,350	5,400	411	1,828	2,150	2,419	411	1,828	2,150	2,419
5,400	5,450	415	1,845	2,170	2,441	415	1,845	2,170	2,441
5,450	5,500	419	1,862	2,190	2,464	419	1,862	2,190	2,464

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
5,500	5,550	423	1,879	2,210	2,486	423	1,879	2,210	2,486
5,550	5,600	426	1,896	2,230	2,509	426	1,896	2,230	2,509
5,600	5,650	430	1,913	2,250	2,531	430	1,913	2,250	2,531
5,650	5,700	434	1,930	2,270	2,554	434	1,930	2,270	2,554
5,700	5,750	438	1,947	2,290	2,576	438	1,947	2,290	2,576
5,750	5,800	442	1,964	2,310	2,599	442	1,964	2,310	2,599
5,800	5,850	446	1,981	2,330	2,621	446	1,981	2,330	2,621
5,850	5,900	449	1,998	2,350	2,644	449	1,998	2,350	2,644
5,900	5,950	453	2,015	2,370	2,666	453	2,015	2,370	2,666
5,950	6,000	457	2,032	2,390	2,689	457	2,032	2,390	2,689
6,000	6,050	461	2,049	2,410	2,711	461	2,049	2,410	2,711
6,050	6,100	464	2,066	2,430	2,734	464	2,066	2,430	2,734
6,100	6,150	464	2,083	2,450	2,756	464	2,083	2,450	2,756
6,150	6,200	464	2,100	2,470	2,779	464	2,100	2,470	2,779
6,200	6,250	464	2,117	2,490	2,801	464	2,117	2,490	2,801
6,250	6,300	464	2,134	2,510	2,824	464	2,134	2,510	2,824
6,300	6,350	464	2,151	2,530	2,846	464	2,151	2,530	2,846
6,350	6,400	464	2,168	2,550	2,869	464	2,168	2,550	2,869
6,400	6,450	464	2,185	2,570	2,891	464	2,185	2,570	2,891
6,450	6,500	464	2,202	2,590	2,914	464	2,202	2,590	2,914
6,500	6,550	464	2,219	2,610	2,936	464	2,219	2,610	2,936
6,550	6,600	464	2,236	2,630	2,959	464	2,236	2,630	2,959
6,600	6,650	464	2,253	2,650	2,981	464	2,253	2,650	2,981
6,650	6,700	464	2,270	2,670	3,004	464	2,270	2,670	3,004
6,700	6,750	464	2,287	2,690	3,026	464	2,287	2,690	3,026
6,750	6,800	464	2,304	2,710	3,049	464	2,304	2,710	3,049
6,800	6,850	464	2,321	2,730	3,071	464	2,321	2,730	3,071
6,850	6,900	464	2,338	2,750	3,094	464	2,338	2,750	3,094
6,900	6,950	464	2,355	2,770	3,116	464	2,355	2,770	3,116
6,950	7,000	464	2,372	2,790	3,139	464	2,372	2,790	3,139
7,000	7,050	464	2,389	2,810	3,161	464	2,389	2,810	3,161
7,050	7,100	464	2,406	2,830	3,184	464	2,406	2,830	3,184
7,100	7,150	464	2,423	2,850	3,206	464	2,423	2,850	3,206
7,150	7,200	464	2,440	2,870	3,229	464	2,440	2,870	3,229
7,200	7,250	464	2,457	2,890	3,251	464	2,457	2,890	3,251
7,250	7,300	464	2,474	2,910	3,274	464	2,474	2,910	3,274
7,300	7,350	464	2,491	2,930	3,296	464	2,491	2,930	3,296
7,350	7,400	464	2,508	2,950	3,319	464	2,508	2,950	3,319
7,400	7,450	464	2,525	2,970	3,341	464	2,525	2,970	3,341
7,450	7,500	464	2,542	2,990	3,364	464	2,542	2,990	3,364
7,500	7,550	464	2,559	3,010	3,386	464	2,559	3,010	3,386
7,550	7,600	464	2,576	3,030	3,409	464	2,576	3,030	3,409
7,600	7,650	462	2,593	3,050	3,431	464	2,593	3,050	3,431
7,650	7,700	458	2,610	3,070	3,454	464	2,610	3,070	3,454
7,700	7,750	454	2,627	3,090	3,476	464	2,627	3,090	3,476
7,750	7,800	450	2,644	3,110	3,499	464	2,644	3,110	3,499
7,800	7,850	446	2,661	3,130	3,521	464	2,661	3,130	3,521
7,850	7,900	443	2,678	3,150	3,544	464	2,678	3,150	3,544
7,900	7,950	439	2,695	3,170	3,566	464	2,695	3,170	3,566
7,950	8,000	435	2,712	3,190	3,589	464	2,712	3,190	3,589
8,000	8,050	431	2,729	3,210	3,611	464	2,729	3,210	3,611
8,050	8,100	427	2,746	3,230	3,634	464	2,746	3,230	3,634
8,100	8,150	423	2,763	3,250	3,656	464	2,763	3,250	3,656
8,150	8,200	420	2,780	3,270	3,679	464	2,780	3,270	3,679
8,200	8,250	416	2,797	3,290	3,701	464	2,797	3,290	3,701
8,250	8,300	412	2,814	3,310	3,724	464	2,814	3,310	3,724
8,300	8,350	408	2,831	3,330	3,746	464	2,831	3,330	3,746
8,350	8,400	404	2,848	3,350	3,769	464	2,848	3,350	3,769
8,400	8,450	400	2,865	3,370	3,791	464	2,865	3,370	3,791
8,450	8,500	397	2,882	3,390	3,814	464	2,882	3,390	3,814

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
8,500	8,550	393	2,899	3,410	3,836	464	2,899	3,410	3,836
8,550	8,600	389	2,916	3,430	3,859	464	2,916	3,430	3,859
8,600	8,650	385	2,933	3,450	3,881	464	2,933	3,450	3,881
8,650	8,700	381	2,950	3,470	3,904	464	2,950	3,470	3,904
8,700	8,750	378	2,967	3,490	3,926	464	2,967	3,490	3,926
8,750	8,800	374	2,984	3,510	3,949	464	2,984	3,510	3,949
8,800	8,850	370	3,001	3,530	3,971	464	3,001	3,530	3,971
8,850	8,900	366	3,018	3,550	3,994	464	3,018	3,550	3,994
8,900	8,950	362	3,035	3,570	4,016	464	3,035	3,570	4,016
8,950	9,000	358	3,052	3,590	4,039	464	3,052	3,590	4,039
9,000	9,050	355	3,069	3,610	4,061	464	3,069	3,610	4,061
9,050	9,100	351	3,086	3,630	4,084	464	3,086	3,630	4,084
9,100	9,150	347	3,094	3,650	4,106	464	3,094	3,650	4,106
9,150	9,200	343	3,094	3,670	4,129	464	3,094	3,670	4,129
9,200	9,250	339	3,094	3,690	4,151	464	3,094	3,690	4,151
9,250	9,300	335	3,094	3,710	4,174	464	3,094	3,710	4,174
9,300	9,350	332	3,094	3,730	4,196	464	3,094	3,730	4,196
9,350	9,400	328	3,094	3,750	4,219	464	3,094	3,750	4,219
9,400	9,450	324	3,094	3,770	4,241	464	3,094	3,770	4,241
9,450	9,500	320	3,094	3,790	4,264	464	3,094	3,790	4,264
9,500	9,550	316	3,094	3,810	4,286	464	3,094	3,810	4,286
9,550	9,600	313	3,094	3,830	4,309	464	3,094	3,830	4,309
9,600	9,650	309	3,094	3,850	4,331	464	3,094	3,850	4,331
9,650	9,700	305	3,094	3,870	4,354	464	3,094	3,870	4,354
9,700	9,750	301	3,094	3,890	4,376	464	3,094	3,890	4,376
9,750	9,800	297	3,094	3,910	4,399	464	3,094	3,910	4,399
9,800	9,850	293	3,094	3,930	4,421	464	3,094	3,930	4,421
9,850	9,900	290	3,094	3,950	4,444	464	3,094	3,950	4,444
9,900	9,950	286	3,094	3,970	4,466	464	3,094	3,970	4,466
9,950	10,000	282	3,094	3,990	4,489	464	3,094	3,990	4,489
10,000	10,050	278	3,094	4,010	4,511	464	3,094	4,010	4,511
10,050	10,100	274	3,094	4,030	4,534	464	3,094	4,030	4,534
10,100	10,150	270	3,094	4,050	4,556	464	3,094	4,050	4,556
10,150	10,200	267	3,094	4,070	4,579	464	3,094	4,070	4,579
10,200	10,250	263	3,094	4,090	4,601	464	3,094	4,090	4,601
10,250	10,300	259	3,094	4,110	4,624	464	3,094	4,110	4,624
10,300	10,350	255	3,094	4,130	4,646	464	3,094	4,130	4,646
10,350	10,400	251	3,094	4,150	4,669	464	3,094	4,150	4,669
10,400	10,450	247	3,094	4,170	4,691	464	3,094	4,170	4,691
10,450	10,500	244	3,094	4,190	4,714	464	3,094	4,190	4,714
10,500	10,550	240	3,094	4,210	4,736	464	3,094	4,210	4,736
10,550	10,600	236	3,094	4,230	4,759	464	3,094	4,230	4,759
10,600	10,650	232	3,094	4,250	4,781	464	3,094	4,250	4,781
10,650	10,700	228	3,094	4,270	4,804	464	3,094	4,270	4,804
10,700	10,750	225	3,094	4,290	4,826	464	3,094	4,290	4,826
10,750	10,800	221	3,094	4,310	4,849	464	3,094	4,310	4,849
10,800	10,850	217	3,094	4,330	4,871	464	3,094	4,330	4,871
10,850	10,900	213	3,094	4,350	4,894	464	3,094	4,350	4,894
10,900	10,950	209	3,094	4,370	4,916	464	3,094	4,370	4,916
10,950	11,000	205	3,094	4,390	4,939	464	3,094	4,390	4,939
11,000	11,050	202	3,094	4,410	4,961	464	3,094	4,410	4,961
11,050	11,100	198	3,094	4,430	4,984	464	3,094	4,430	4,984
11,100	11,150	194	3,094	4,450	5,006	464	3,094	4,450	5,006
11,150	11,200	190	3,094	4,470	5,029	464	3,094	4,470	5,029
11,200	11,250	186	3,094	4,490	5,051	464	3,094	4,490	5,051
11,250	11,300	182	3,094	4,510	5,074	464	3,094	4,510	5,074
11,300	11,350	179	3,094	4,530	5,096	464	3,094	4,530	5,096
11,350	11,400	175	3,094	4,550	5,119	464	3,094	4,550	5,119
11,400	11,450	171	3,094	4,570	5,141	464	3,094	4,570	5,141
11,450	11,500	167	3,094	4,590	5,164	464	3,094	4,590	5,164

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
11,500	11,550	163	3,094	4,610	5,186	464	3,094	4,610	5,186
11,550	11,600	160	3,094	4,630	5,209	464	3,094	4,630	5,209
11,600	11,650	156	3,094	4,650	5,231	464	3,094	4,650	5,231
11,650	11,700	152	3,094	4,670	5,254	464	3,094	4,670	5,254
11,700	11,750	148	3,094	4,690	5,276	464	3,094	4,690	5,276
11,750	11,800	144	3,094	4,710	5,299	464	3,094	4,710	5,299
11,800	11,850	140	3,094	4,730	5,321	464	3,094	4,730	5,321
11,850	11,900	137	3,094	4,750	5,344	464	3,094	4,750	5,344
11,900	11,950	133	3,094	4,770	5,366	464	3,094	4,770	5,366
11,950	12,000	129	3,094	4,790	5,389	464	3,094	4,790	5,389
12,000	12,050	125	3,094	4,810	5,411	464	3,094	4,810	5,411
12,050	12,100	121	3,094	4,830	5,434	464	3,094	4,830	5,434
12,100	12,150	117	3,094	4,850	5,456	464	3,094	4,850	5,456
12,150	12,200	114	3,094	4,870	5,479	464	3,094	4,870	5,479
12,200	12,250	110	3,094	4,890	5,501	464	3,094	4,890	5,501
12,250	12,300	106	3,094	4,910	5,524	464	3,094	4,910	5,524
12,300	12,350	102	3,094	4,930	5,546	464	3,094	4,930	5,546
12,350	12,400	98	3,094	4,950	5,569	464	3,094	4,950	5,569
12,400	12,450	94	3,094	4,970	5,591	464	3,094	4,970	5,591
12,450	12,500	91	3,094	4,990	5,614	464	3,094	4,990	5,614
12,500	12,550	87	3,094	5,010	5,636	464	3,094	5,010	5,636
12,550	12,600	83	3,094	5,030	5,659	464	3,094	5,030	5,659
12,600	12,650	79	3,094	5,050	5,681	464	3,094	5,050	5,681
12,650	12,700	75	3,094	5,070	5,704	464	3,094	5,070	5,704
12,700	12,750	72	3,094	5,090	5,726	460	3,094	5,090	5,726
12,750	12,800	68	3,094	5,112	5,751	456	3,094	5,112	5,751
12,800	12,850	64	3,094	5,112	5,751	452	3,094	5,112	5,751
12,850	12,900	60	3,094	5,112	5,751	449	3,094	5,112	5,751
12,900	12,950	56	3,094	5,112	5,751	445	3,094	5,112	5,751
12,950	13,000	52	3,094	5,112	5,751	441	3,094	5,112	5,751
13,000	13,050	49	3,094	5,112	5,751	437	3,094	5,112	5,751
13,050	13,100	45	3,094	5,112	5,751	433	3,094	5,112	5,751
13,100	13,150	41	3,094	5,112	5,751	430	3,094	5,112	5,751
13,150	13,200	37	3,094	5,112	5,751	426	3,094	5,112	5,751
13,200	13,250	33	3,094	5,112	5,751	422	3,094	5,112	5,751
13,250	13,300	29	3,094	5,112	5,751	418	3,094	5,112	5,751
13,300	13,350	26	3,094	5,112	5,751	414	3,094	5,112	5,751
13,350	13,400	22	3,094	5,112	5,751	410	3,094	5,112	5,751
13,400	13,450	18	3,094	5,112	5,751	407	3,094	5,112	5,751
13,450	13,500	14	3,094	5,112	5,751	403	3,094	5,112	5,751
13,500	13,550	10	3,094	5,112	5,751	399	3,094	5,112	5,751
13,550	13,600	7	3,094	5,112	5,751	395	3,094	5,112	5,751
13,600	13,650	3	3,094	5,112	5,751	391	3,094	5,112	5,751
13,650	13,700	0	3,094	5,112	5,751	387	3,094	5,112	5,751
13,700	13,750	0	3,094	5,112	5,751	384	3,094	5,112	5,751
13,750	13,800	0	3,094	5,112	5,751	380	3,094	5,112	5,751
13,800	13,850	0	3,094	5,112	5,751	376	3,094	5,112	5,751
13,850	13,900	0	3,094	5,112	5,751	372	3,094	5,112	5,751
13,900	13,950	0	3,094	5,112	5,751	368	3,094	5,112	5,751
13,950	14,000	0	3,094	5,112	5,751	365	3,094	5,112	5,751
14,000	14,050	0	3,094	5,112	5,751	361	3,094	5,112	5,751
14,050	14,100	0	3,094	5,112	5,751	357	3,094	5,112	5,751
14,100	14,150	0	3,094	5,112	5,751	353	3,094	5,112	5,751
14,150	14,200	0	3,094	5,112	5,751	349	3,094	5,112	5,751
14,200	14,250	0	3,094	5,112	5,751	345	3,094	5,112	5,751
14,250	14,300	0	3,094	5,112	5,751	342	3,094	5,112	5,751
14,300	14,350	0	3,094	5,112	5,751	338	3,094	5,112	5,751
14,350	14,400	0	3,094	5,112	5,751	334	3,094	5,112	5,751
14,400	14,450	0	3,094	5,112	5,751	330	3,094	5,112	5,751
14,450	14,500	0	3,094	5,112	5,751	326	3,094	5,112	5,751

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
14,500	14,550	0	3,094	5,112	5,751	322	3,094	5,112	5,751
14,550	14,600	0	3,094	5,112	5,751	319	3,094	5,112	5,751
14,600	14,650	0	3,094	5,112	5,751	315	3,094	5,112	5,751
14,650	14,700	0	3,094	5,112	5,751	311	3,094	5,112	5,751
14,700	14,750	0	3,094	5,112	5,751	307	3,094	5,112	5,751
14,750	14,800	0	3,094	5,112	5,751	303	3,094	5,112	5,751
14,800	14,850	0	3,094	5,112	5,751	299	3,094	5,112	5,751
14,850	14,900	0	3,094	5,112	5,751	296	3,094	5,112	5,751
14,900	14,950	0	3,094	5,112	5,751	292	3,094	5,112	5,751
14,950	15,000	0	3,094	5,112	5,751	288	3,094	5,112	5,751
15,000	15,050	0	3,094	5,112	5,751	284	3,094	5,112	5,751
15,050	15,100	0	3,094	5,112	5,751	280	3,094	5,112	5,751
15,100	15,150	0	3,094	5,112	5,751	277	3,094	5,112	5,751
15,150	15,200	0	3,094	5,112	5,751	273	3,094	5,112	5,751
15,200	15,250	0	3,094	5,112	5,751	269	3,094	5,112	5,751
15,250	15,300	0	3,094	5,112	5,751	265	3,094	5,112	5,751
15,300	15,350	0	3,094	5,112	5,751	261	3,094	5,112	5,751
15,350	15,400	0	3,094	5,112	5,751	257	3,094	5,112	5,751
15,400	15,450	0	3,094	5,112	5,751	254	3,094	5,112	5,751
15,450	15,500	0	3,094	5,112	5,751	250	3,094	5,112	5,751
15,500	15,550	0	3,094	5,112	5,751	246	3,094	5,112	5,751
15,550	15,600	0	3,094	5,112	5,751	242	3,094	5,112	5,751
15,600	15,650	0	3,094	5,112	5,751	238	3,094	5,112	5,751
15,650	15,700	0	3,094	5,112	5,751	234	3,094	5,112	5,751
15,700	15,750	0	3,094	5,112	5,751	231	3,094	5,112	5,751
15,750	15,800	0	3,094	5,112	5,751	227	3,094	5,112	5,751
15,800	15,850	0	3,094	5,112	5,751	223	3,094	5,112	5,751
15,850	15,900	0	3,094	5,112	5,751	219	3,094	5,112	5,751
15,900	15,950	0	3,094	5,112	5,751	215	3,094	5,112	5,751
15,950	16,000	0	3,094	5,112	5,751	212	3,094	5,112	5,751
16,000	16,050	0	3,094	5,112	5,751	208	3,094	5,112	5,751
16,050	16,100	0	3,094	5,112	5,751	204	3,094	5,112	5,751
16,100	16,150	0	3,094	5,112	5,751	200	3,094	5,112	5,751
16,150	16,200	0	3,094	5,112	5,751	196	3,094	5,112	5,751
16,200	16,250	0	3,094	5,112	5,751	192	3,094	5,112	5,751
16,250	16,300	0	3,094	5,112	5,751	189	3,094	5,112	5,751
16,300	16,350	0	3,094	5,112	5,751	185	3,094	5,112	5,751
16,350	16,400	0	3,094	5,112	5,751	181	3,094	5,112	5,751
16,400	16,450	0	3,094	5,112	5,751	177	3,094	5,112	5,751
16,450	16,500	0	3,094	5,112	5,751	173	3,094	5,112	5,751
16,500	16,550	0	3,094	5,112	5,751	169	3,094	5,112	5,751
16,550	16,600	0	3,094	5,112	5,751	166	3,094	5,112	5,751
16,600	16,650	0	3,094	5,112	5,751	162	3,094	5,112	5,751
16,650	16,700	0	3,094	5,112	5,751	158	3,094	5,112	5,751
16,700	16,750	0	3,088	5,105	5,744	154	3,094	5,112	5,751
16,750	16,800	0	3,080	5,094	5,733	150	3,094	5,112	5,751
16,800	16,850	0	3,072	5,084	5,723	146	3,094	5,112	5,751
16,850	16,900	0	3,064	5,073	5,712	143	3,094	5,112	5,751
16,900	16,950	0	3,056	5,063	5,702	139	3,094	5,112	5,751
16,950	17,000	0	3,048	5,052	5,691	135	3,094	5,112	5,751
17,000	17,050	0	3,040	5,041	5,680	131	3,094	5,112	5,751
17,050	17,100	0	3,032	5,031	5,670	127	3,094	5,112	5,751
17,100	17,150	0	3,024	5,020	5,659	124	3,094	5,112	5,751
17,150	17,200	0	3,016	5,010	5,649	120	3,094	5,112	5,751
17,200	17,250	0	3,009	4,999	5,638	116	3,094	5,112	5,751
17,250	17,300	0	3,001	4,989	5,628	112	3,094	5,112	5,751
17,300	17,350	0	2,993	4,978	5,617	108	3,094	5,112	5,751
17,350	17,400	0	2,985	4,968	5,607	104	3,094	5,112	5,751
17,400	17,450	0	2,977	4,957	5,596	101	3,094	5,112	5,751
17,450	17,500	0	2,969	4,947	5,586	97	3,094	5,112	5,751

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
17,500	17,550	0	2,961	4,936	5,575	93	3,094	5,112	5,751
17,550	17,600	0	2,953	4,926	5,565	89	3,094	5,112	5,751
17,600	17,650	0	2,945	4,915	5,554	85	3,094	5,112	5,751
17,650	17,700	0	2,937	4,905	5,544	81	3,094	5,112	5,751
17,700	17,750	0	2,929	4,894	5,533	78	3,094	5,112	5,751
17,750	17,800	0	2,921	4,883	5,522	74	3,094	5,112	5,751
17,800	17,850	0	2,913	4,873	5,512	70	3,094	5,112	5,751
17,850	17,900	0	2,905	4,862	5,501	66	3,094	5,112	5,751
17,900	17,950	0	2,897	4,852	5,491	62	3,094	5,112	5,751
17,950	18,000	0	2,889	4,841	5,480	59	3,094	5,112	5,751
18,000	18,050	0	2,881	4,831	5,470	55	3,094	5,112	5,751
18,050	18,100	0	2,873	4,820	5,459	51	3,094	5,112	5,751
18,100	18,150	0	2,865	4,810	5,449	47	3,094	5,112	5,751
18,150	18,200	0	2,857	4,799	5,438	43	3,094	5,112	5,751
18,200	18,250	0	2,849	4,789	5,428	39	3,094	5,112	5,751
18,250	18,300	0	2,841	4,778	5,417	36	3,094	5,112	5,751
18,300	18,350	0	2,833	4,768	5,407	32	3,094	5,112	5,751
18,350	18,400	0	2,825	4,757	5,396	28	3,094	5,112	5,751
18,400	18,450	0	2,817	4,747	5,386	24	3,094	5,112	5,751
18,450	18,500	0	2,809	4,736	5,375	20	3,094	5,112	5,751
18,500	18,550	0	2,801	4,726	5,365	16	3,094	5,112	5,751
18,550	18,600	0	2,793	4,715	5,354	13	3,094	5,112	5,751
18,600	18,650	0	2,785	4,704	5,343	9	3,094	5,112	5,751
18,650	18,700	0	2,777	4,694	5,333	5	3,094	5,112	5,751
18,700	18,750	0	2,769	4,683	5,322	*	3,094	5,112	5,751
18,750	18,800	0	2,761	4,673	5,312	0	3,094	5,112	5,751
18,800	18,850	0	2,753	4,662	5,301	0	3,094	5,112	5,751
18,850	18,900	0	2,745	4,652	5,291	0	3,094	5,112	5,751
18,900	18,950	0	2,737	4,641	5,280	0	3,094	5,112	5,751
18,950	19,000	0	2,729	4,631	5,270	0	3,094	5,112	5,751
19,000	19,050	0	2,721	4,620	5,259	0	3,094	5,112	5,751
19,050	19,100	0	2,713	4,610	5,249	0	3,094	5,112	5,751
19,100	19,150	0	2,705	4,599	5,238	0	3,094	5,112	5,751
19,150	19,200	0	2,697	4,589	5,228	0	3,094	5,112	5,751
19,200	19,250	0	2,689	4,578	5,217	0	3,094	5,112	5,751
19,250	19,300	0	2,681	4,568	5,207	0	3,094	5,112	5,751
19,300	19,350	0	2,673	4,557	5,196	0	3,094	5,112	5,751
19,350	19,400	0	2,665	4,547	5,186	0	3,094	5,112	5,751
19,400	19,450	0	2,657	4,536	5,175	0	3,094	5,112	5,751
19,450	19,500	0	2,649	4,525	5,164	0	3,094	5,112	5,751
19,500	19,550	0	2,641	4,515	5,154	0	3,094	5,112	5,751
19,550	19,600	0	2,633	4,504	5,143	0	3,094	5,112	5,751
19,600	19,650	0	2,625	4,494	5,133	0	3,094	5,112	5,751
19,650	19,700	0	2,617	4,483	5,122	0	3,094	5,112	5,751
19,700	19,750	0	2,609	4,473	5,112	0	3,094	5,112	5,751
19,750	19,800	0	2,601	4,462	5,101	0	3,094	5,112	5,751
19,800	19,850	0	2,593	4,452	5,091	0	3,094	5,112	5,751
19,850	19,900	0	2,585	4,441	5,080	0	3,094	5,112	5,751
19,900	19,950	0	2,577	4,431	5,070	0	3,094	5,112	5,751
19,950	20,000	0	2,569	4,420	5,059	0	3,094	5,112	5,751
20,000	20,050	0	2,561	4,410	5,049	0	3,094	5,112	5,751
20,050	20,100	0	2,553	4,399	5,038	0	3,094	5,112	5,751
20,100	20,150	0	2,545	4,389	5,028	0	3,094	5,112	5,751
20,150	20,200	0	2,537	4,378	5,017	0	3,094	5,112	5,751
20,200	20,250	0	2,529	4,368	5,007	0	3,094	5,112	5,751
20,250	20,300	0	2,521	4,357	4,996	0	3,094	5,112	5,751
20,300	20,350	0	2,513	4,346	4,985	0	3,094	5,112	5,751
20,350	20,400	0	2,505	4,336	4,975	0	3,094	5,112	5,751
20,400	20,450	0	2,497	4,325	4,964	0	3,094	5,112	5,751
20,450	20,500	0	2,489	4,315	4,954	0	3,094	5,112	5,751

\* If the amount you are looking up from the worksheet is at least \$18,700 but less than \$18,740, and you have no qualifying child, your credit is \$2. Otherwise, you cannot take the credit.

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
20,500	20,550	0	2,481	4,304	4,943	0	3,094	5,112	5,751
20,550	20,600	0	2,473	4,294	4,933	0	3,094	5,112	5,751
20,600	20,650	0	2,465	4,283	4,922	0	3,094	5,112	5,751
20,650	20,700	0	2,457	4,273	4,912	0	3,094	5,112	5,751
20,700	20,750	0	2,449	4,262	4,901	0	3,094	5,112	5,751
20,750	20,800	0	2,441	4,252	4,891	0	3,094	5,112	5,751
20,800	20,850	0	2,433	4,241	4,880	0	3,094	5,112	5,751
20,850	20,900	0	2,425	4,231	4,870	0	3,094	5,112	5,751
20,900	20,950	0	2,417	4,220	4,859	0	3,094	5,112	5,751
20,950	21,000	0	2,409	4,210	4,849	0	3,094	5,112	5,751
21,000	21,050	0	2,401	4,199	4,838	0	3,094	5,112	5,751
21,050	21,100	0	2,393	4,189	4,828	0	3,094	5,112	5,751
21,100	21,150	0	2,385	4,178	4,817	0	3,094	5,112	5,751
21,150	21,200	0	2,377	4,167	4,806	0	3,094	5,112	5,751
21,200	21,250	0	2,369	4,157	4,796	0	3,094	5,112	5,751
21,250	21,300	0	2,361	4,146	4,785	0	3,094	5,112	5,751
21,300	21,350	0	2,353	4,136	4,775	0	3,094	5,112	5,751
21,350	21,400	0	2,345	4,125	4,764	0	3,094	5,112	5,751
21,400	21,450	0	2,337	4,115	4,754	0	3,094	5,112	5,751
21,450	21,500	0	2,329	4,104	4,743	0	3,094	5,112	5,751
21,500	21,550	0	2,321	4,094	4,733	0	3,094	5,112	5,751
21,550	21,600	0	2,313	4,083	4,722	0	3,094	5,112	5,751
21,600	21,650	0	2,305	4,073	4,712	0	3,094	5,112	5,751
21,650	21,700	0	2,297	4,062	4,701	0	3,094	5,112	5,751
21,700	21,750	0	2,289	4,052	4,691	0	3,094	5,112	5,751
21,750	21,800	0	2,281	4,041	4,680	0	3,094	5,112	5,751
21,800	21,850	0	2,273	4,031	4,670	0	3,085	5,100	5,739
21,850	21,900	0	2,265	4,020	4,659	0	3,077	5,090	5,729
21,900	21,950	0	2,257	4,010	4,649	0	3,069	5,079	5,718
21,950	22,000	0	2,249	3,999	4,638	0	3,061	5,069	5,708
22,000	22,050	0	2,241	3,988	4,627	0	3,053	5,058	5,697
22,050	22,100	0	2,233	3,978	4,617	0	3,045	5,048	5,687
22,100	22,150	0	2,225	3,967	4,606	0	3,037	5,037	5,676
22,150	22,200	0	2,217	3,957	4,596	0	3,029	5,027	5,666
22,200	22,250	0	2,210	3,946	4,585	0	3,021	5,016	5,655
22,250	22,300	0	2,202	3,936	4,575	0	3,013	5,006	5,645
22,300	22,350	0	2,194	3,925	4,564	0	3,005	4,995	5,634
22,350	22,400	0	2,186	3,915	4,554	0	2,997	4,985	5,624
22,400	22,450	0	2,178	3,904	4,543	0	2,989	4,974	5,613
22,450	22,500	0	2,170	3,894	4,533	0	2,981	4,964	5,603
22,500	22,550	0	2,162	3,883	4,522	0	2,973	4,953	5,592
22,550	22,600	0	2,154	3,873	4,512	0	2,965	4,942	5,581
22,600	22,650	0	2,146	3,862	4,501	0	2,957	4,932	5,571
22,650	22,700	0	2,138	3,852	4,491	0	2,949	4,921	5,560
22,700	22,750	0	2,130	3,841	4,480	0	2,941	4,911	5,550
22,750	22,800	0	2,122	3,830	4,469	0	2,933	4,900	5,539
22,800	22,850	0	2,114	3,820	4,459	0	2,925	4,890	5,529
22,850	22,900	0	2,106	3,809	4,448	0	2,917	4,879	5,518
22,900	22,950	0	2,098	3,799	4,438	0	2,909	4,869	5,508
22,950	23,000	0	2,090	3,788	4,427	0	2,901	4,858	5,497
23,000	23,050	0	2,082	3,778	4,417	0	2,893	4,848	5,487
23,050	23,100	0	2,074	3,767	4,406	0	2,885	4,837	5,476
23,100	23,150	0	2,066	3,757	4,396	0	2,877	4,827	5,466
23,150	23,200	0	2,058	3,746	4,385	0	2,869	4,816	5,455
23,200	23,250	0	2,050	3,736	4,375	0	2,861	4,806	5,445
23,250	23,300	0	2,042	3,725	4,364	0	2,854	4,795	5,434
23,300	23,350	0	2,034	3,715	4,354	0	2,846	4,785	5,424
23,350	23,400	0	2,026	3,704	4,343	0	2,838	4,774	5,413
23,400	23,450	0	2,018	3,694	4,333	0	2,830	4,763	5,402
23,450	23,500	0	2,010	3,683	4,322	0	2,822	4,753	5,392

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
23,500	23,550	0	2,002	3,673	4,312	0	2,814	4,742	5,381
23,550	23,600	0	1,994	3,662	4,301	0	2,806	4,732	5,371
23,600	23,650	0	1,986	3,651	4,290	0	2,798	4,721	5,360
23,650	23,700	0	1,978	3,641	4,280	0	2,790	4,711	5,350
23,700	23,750	0	1,970	3,630	4,269	0	2,782	4,700	5,339
23,750	23,800	0	1,962	3,620	4,259	0	2,774	4,690	5,329
23,800	23,850	0	1,954	3,609	4,248	0	2,766	4,679	5,318
23,850	23,900	0	1,946	3,599	4,238	0	2,758	4,669	5,308
23,900	23,950	0	1,938	3,588	4,227	0	2,750	4,658	5,297
23,950	24,000	0	1,930	3,578	4,217	0	2,742	4,648	5,287
24,000	24,050	0	1,922	3,567	4,206	0	2,734	4,637	5,276
24,050	24,100	0	1,914	3,557	4,196	0	2,726	4,627	5,266
24,100	24,150	0	1,906	3,546	4,185	0	2,718	4,616	5,255
24,150	24,200	0	1,898	3,536	4,175	0	2,710	4,606	5,245
24,200	24,250	0	1,890	3,525	4,164	0	2,702	4,595	5,234
24,250	24,300	0	1,882	3,515	4,154	0	2,694	4,584	5,223
24,300	24,350	0	1,874	3,504	4,143	0	2,686	4,574	5,213
24,350	24,400	0	1,866	3,494	4,133	0	2,678	4,563	5,202
24,400	24,450	0	1,858	3,483	4,122	0	2,670	4,553	5,192
24,450	24,500	0	1,850	3,472	4,111	0	2,662	4,542	5,181
24,500	24,550	0	1,842	3,462	4,101	0	2,654	4,532	5,171
24,550	24,600	0	1,834	3,451	4,090	0	2,646	4,521	5,160
24,600	24,650	0	1,826	3,441	4,080	0	2,638	4,511	5,150
24,650	24,700	0	1,818	3,430	4,069	0	2,630	4,500	5,139
24,700	24,750	0	1,810	3,420	4,059	0	2,622	4,490	5,129
24,750	24,800	0	1,802	3,409	4,048	0	2,614	4,479	5,118
24,800	24,850	0	1,794	3,399	4,038	0	2,606	4,469	5,108
24,850	24,900	0	1,786	3,388	4,027	0	2,598	4,458	5,097
24,900	24,950	0	1,778	3,378	4,017	0	2,590	4,448	5,087
24,950	25,000	0	1,770	3,367	4,006	0	2,582	4,437	5,076
25,000	25,050	0	1,762	3,357	3,996	0	2,574	4,426	5,065
25,050	25,100	0	1,754	3,346	3,985	0	2,566	4,416	5,055
25,100	25,150	0	1,746	3,336	3,975	0	2,558	4,405	5,044
25,150	25,200	0	1,738	3,325	3,964	0	2,550	4,395	5,034
25,200	25,250	0	1,730	3,315	3,954	0	2,542	4,384	5,023
25,250	25,300	0	1,722	3,304	3,943	0	2,534	4,374	5,013
25,300	25,350	0	1,714	3,293	3,932	0	2,526	4,363	5,002
25,350	25,400	0	1,706	3,283	3,922	0	2,518	4,353	4,992
25,400	25,450	0	1,698	3,272	3,911	0	2,510	4,342	4,981
25,450	25,500	0	1,690	3,262	3,901	0	2,502	4,332	4,971
25,500	25,550	0	1,682	3,251	3,890	0	2,494	4,321	4,960
25,550	25,600	0	1,674	3,241	3,880	0	2,486	4,311	4,950
25,600	25,650	0	1,666	3,230	3,869	0	2,478	4,300	4,939
25,650	25,700	0	1,658	3,220	3,859	0	2,470	4,290	4,929
25,700	25,750	0	1,650	3,209	3,848	0	2,462	4,279	4,918
25,750	25,800	0	1,642	3,199	3,838	0	2,454	4,269	4,908
25,800	25,850	0	1,634	3,188	3,827	0	2,446	4,258	4,897
25,850	25,900	0	1,626	3,178	3,817	0	2,438	4,247	4,886
25,900	25,950	0	1,618	3,167	3,806	0	2,430	4,237	4,876
25,950	26,000	0	1,610	3,157	3,796	0	2,422	4,226	4,865
26,000	26,050	0	1,602	3,146	3,785	0	2,414	4,216	4,855
26,050	26,100	0	1,594	3,136	3,775	0	2,406	4,205	4,844
26,100	26,150	0	1,586	3,125	3,764	0	2,398	4,195	4,834
26,150	26,200	0	1,578	3,114	3,753	0	2,390	4,184	4,823
26,200	26,250	0	1,570	3,104	3,743	0	2,382	4,174	4,813
26,250	26,300	0	1,562	3,093	3,732	0	2,374	4,163	4,802
26,300	26,350	0	1,554	3,083	3,722	0	2,366	4,153	4,792
26,350	26,400	0	1,546	3,072	3,711	0	2,358	4,142	4,781
26,400	26,450	0	1,538	3,062	3,701	0	2,350	4,132	4,771
26,450	26,500	0	1,530	3,051	3,690	0	2,342	4,121	4,760

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
26,500	26,550	0	1,522	3,041	3,680	0	2,334	4,111	4,750
26,550	26,600	0	1,514	3,030	3,669	0	2,326	4,100	4,739
26,600	26,650	0	1,506	3,020	3,659	0	2,318	4,090	4,729
26,650	26,700	0	1,498	3,009	3,648	0	2,310	4,079	4,718
26,700	26,750	0	1,490	2,999	3,638	0	2,302	4,068	4,707
26,750	26,800	0	1,482	2,988	3,627	0	2,294	4,058	4,697
26,800	26,850	0	1,474	2,978	3,617	0	2,286	4,047	4,686
26,850	26,900	0	1,466	2,967	3,606	0	2,278	4,037	4,676
26,900	26,950	0	1,458	2,957	3,596	0	2,270	4,026	4,665
26,950	27,000	0	1,450	2,946	3,585	0	2,262	4,016	4,655
27,000	27,050	0	1,442	2,935	3,574	0	2,254	4,005	4,644
27,050	27,100	0	1,434	2,925	3,564	0	2,246	3,995	4,634
27,100	27,150	0	1,426	2,914	3,553	0	2,238	3,984	4,623
27,150	27,200	0	1,418	2,904	3,543	0	2,230	3,974	4,613
27,200	27,250	0	1,411	2,893	3,532	0	2,222	3,963	4,602
27,250	27,300	0	1,403	2,883	3,522	0	2,214	3,953	4,592
27,300	27,350	0	1,395	2,872	3,511	0	2,206	3,942	4,581
27,350	27,400	0	1,387	2,862	3,501	0	2,198	3,932	4,571
27,400	27,450	0	1,379	2,851	3,490	0	2,190	3,921	4,560
27,450	27,500	0	1,371	2,841	3,480	0	2,182	3,911	4,550
27,500	27,550	0	1,363	2,830	3,469	0	2,174	3,900	4,539
27,550	27,600	0	1,355	2,820	3,459	0	2,166	3,889	4,528
27,600	27,650	0	1,347	2,809	3,448	0	2,158	3,879	4,518
27,650	27,700	0	1,339	2,799	3,438	0	2,150	3,868	4,507
27,700	27,750	0	1,331	2,788	3,427	0	2,142	3,858	4,497
27,750	27,800	0	1,323	2,777	3,416	0	2,134	3,847	4,486
27,800	27,850	0	1,315	2,767	3,406	0	2,126	3,837	4,476
27,850	27,900	0	1,307	2,756	3,395	0	2,118	3,826	4,465
27,900	27,950	0	1,299	2,746	3,385	0	2,110	3,816	4,455
27,950	28,000	0	1,291	2,735	3,374	0	2,102	3,805	4,444
28,000	28,050	0	1,283	2,725	3,364	0	2,094	3,795	4,434
28,050	28,100	0	1,275	2,714	3,353	0	2,086	3,784	4,423
28,100	28,150	0	1,267	2,704	3,343	0	2,078	3,774	4,413
28,150	28,200	0	1,259	2,693	3,332	0	2,070	3,763	4,402
28,200	28,250	0	1,251	2,683	3,322	0	2,062	3,753	4,392
28,250	28,300	0	1,243	2,672	3,311	0	2,055	3,742	4,381
28,300	28,350	0	1,235	2,662	3,301	0	2,047	3,732	4,371
28,350	28,400	0	1,227	2,651	3,290	0	2,039	3,721	4,360
28,400	28,450	0	1,219	2,641	3,280	0	2,031	3,710	4,349
28,450	28,500	0	1,211	2,630	3,269	0	2,023	3,700	4,339
28,500	28,550	0	1,203	2,620	3,259	0	2,015	3,689	4,328
28,550	28,600	0	1,195	2,609	3,248	0	2,007	3,679	4,318
28,600	28,650	0	1,187	2,598	3,237	0	1,999	3,668	4,307
28,650	28,700	0	1,179	2,588	3,227	0	1,991	3,658	4,297
28,700	28,750	0	1,171	2,577	3,216	0	1,983	3,647	4,286
28,750	28,800	0	1,163	2,567	3,206	0	1,975	3,637	4,276
28,800	28,850	0	1,155	2,556	3,195	0	1,967	3,626	4,265
28,850	28,900	0	1,147	2,546	3,185	0	1,959	3,616	4,255
28,900	28,950	0	1,139	2,535	3,174	0	1,951	3,605	4,244
28,950	29,000	0	1,131	2,525	3,164	0	1,943	3,595	4,234
29,000	29,050	0	1,123	2,514	3,153	0	1,935	3,584	4,223
29,050	29,100	0	1,115	2,504	3,143	0	1,927	3,574	4,213
29,100	29,150	0	1,107	2,493	3,132	0	1,919	3,563	4,202
29,150	29,200	0	1,099	2,483	3,122	0	1,911	3,553	4,192
29,200	29,250	0	1,091	2,472	3,111	0	1,903	3,542	4,181
29,250	29,300	0	1,083	2,462	3,101	0	1,895	3,531	4,170
29,300	29,350	0	1,075	2,451	3,090	0	1,887	3,521	4,160
29,350	29,400	0	1,067	2,441	3,080	0	1,879	3,510	4,149
29,400	29,450	0	1,059	2,430	3,069	0	1,871	3,500	4,139
29,450	29,500	0	1,051	2,419	3,058	0	1,863	3,489	4,128

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
29,500	29,550	0	1,043	2,409	3,048	0	1,855	3,479	4,118
29,550	29,600	0	1,035	2,398	3,037	0	1,847	3,468	4,107
29,600	29,650	0	1,027	2,388	3,027	0	1,839	3,458	4,097
29,650	29,700	0	1,019	2,377	3,016	0	1,831	3,447	4,086
29,700	29,750	0	1,011	2,367	3,006	0	1,823	3,437	4,076
29,750	29,800	0	1,003	2,356	2,995	0	1,815	3,426	4,065
29,800	29,850	0	995	2,346	2,985	0	1,807	3,416	4,055
29,850	29,900	0	987	2,335	2,974	0	1,799	3,405	4,044
29,900	29,950	0	979	2,325	2,964	0	1,791	3,395	4,034
29,950	30,000	0	971	2,314	2,953	0	1,783	3,384	4,023
30,000	30,050	0	963	2,304	2,943	0	1,775	3,373	4,012
30,050	30,100	0	955	2,293	2,932	0	1,767	3,363	4,002
30,100	30,150	0	947	2,283	2,922	0	1,759	3,352	3,991
30,150	30,200	0	939	2,272	2,911	0	1,751	3,342	3,981
30,200	30,250	0	931	2,262	2,901	0	1,743	3,331	3,970
30,250	30,300	0	923	2,251	2,890	0	1,735	3,321	3,960
30,300	30,350	0	915	2,240	2,879	0	1,727	3,310	3,949
30,350	30,400	0	907	2,230	2,869	0	1,719	3,300	3,939
30,400	30,450	0	899	2,219	2,858	0	1,711	3,289	3,928
30,450	30,500	0	891	2,209	2,848	0	1,703	3,279	3,918
30,500	30,550	0	883	2,198	2,837	0	1,695	3,268	3,907
30,550	30,600	0	875	2,188	2,827	0	1,687	3,258	3,897
30,600	30,650	0	867	2,177	2,816	0	1,679	3,247	3,886
30,650	30,700	0	859	2,167	2,806	0	1,671	3,237	3,876
30,700	30,750	0	851	2,156	2,795	0	1,663	3,226	3,865
30,750	30,800	0	843	2,146	2,785	0	1,655	3,216	3,855
30,800	30,850	0	835	2,135	2,774	0	1,647	3,205	3,844
30,850	30,900	0	827	2,125	2,764	0	1,639	3,194	3,833
30,900	30,950	0	819	2,114	2,753	0	1,631	3,184	3,823
30,950	31,000	0	811	2,104	2,743	0	1,623	3,173	3,812
31,000	31,050	0	803	2,093	2,732	0	1,615	3,163	3,802
31,050	31,100	0	795	2,083	2,722	0	1,607	3,152	3,791
31,100	31,150	0	787	2,072	2,711	0	1,599	3,142	3,781
31,150	31,200	0	779	2,061	2,700	0	1,591	3,131	3,770
31,200	31,250	0	771	2,051	2,690	0	1,583	3,121	3,760
31,250	31,300	0	763	2,040	2,679	0	1,575	3,110	3,749
31,300	31,350	0	755	2,030	2,669	0	1,567	3,100	3,739
31,350	31,400	0	747	2,019	2,658	0	1,559	3,089	3,728
31,400	31,450	0	739	2,009	2,648	0	1,551	3,079	3,718
31,450	31,500	0	731	1,998	2,637	0	1,543	3,068	3,707
31,500	31,550	0	723	1,988	2,627	0	1,535	3,058	3,697
31,550	31,600	0	715	1,977	2,616	0	1,527	3,047	3,686
31,600	31,650	0	707	1,967	2,606	0	1,519	3,037	3,676
31,650	31,700	0	699	1,956	2,595	0	1,511	3,026	3,665
31,700	31,750	0	691	1,946	2,585	0	1,503	3,015	3,654
31,750	31,800	0	683	1,935	2,574	0	1,495	3,005	3,644
31,800	31,850	0	675	1,925	2,564	0	1,487	2,994	3,633
31,850	31,900	0	667	1,914	2,553	0	1,479	2,984	3,623
31,900	31,950	0	659	1,904	2,543	0	1,471	2,973	3,612
31,950	32,000	0	651	1,893	2,532	0	1,463	2,963	3,602
32,000	32,050	0	643	1,882	2,521	0	1,455	2,952	3,591
32,050	32,100	0	635	1,872	2,511	0	1,447	2,942	3,581
32,100	32,150	0	627	1,861	2,500	0	1,439	2,931	3,570
32,150	32,200	0	619	1,851	2,490	0	1,431	2,921	3,560
32,200	32,250	0	612	1,840	2,479	0	1,423	2,910	3,549
32,250	32,300	0	604	1,830	2,469	0	1,415	2,900	3,539
32,300	32,350	0	596	1,819	2,458	0	1,407	2,889	3,528
32,350	32,400	0	588	1,809	2,448	0	1,399	2,879	3,518
32,400	32,450	0	580	1,798	2,437	0	1,391	2,868	3,507
32,450	32,500	0	572	1,788	2,427	0	1,383	2,858	3,497

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
32,500	32,550	0	564	1,777	2,416	0	1,375	2,847	3,486
32,550	32,600	0	556	1,767	2,406	0	1,367	2,836	3,475
32,600	32,650	0	548	1,756	2,395	0	1,359	2,826	3,465
32,650	32,700	0	540	1,746	2,385	0	1,351	2,815	3,454
32,700	32,750	0	532	1,735	2,374	0	1,343	2,805	3,444
32,750	32,800	0	524	1,724	2,363	0	1,335	2,794	3,433
32,800	32,850	0	516	1,714	2,353	0	1,327	2,784	3,423
32,850	32,900	0	508	1,703	2,342	0	1,319	2,773	3,412
32,900	32,950	0	500	1,693	2,332	0	1,311	2,763	3,402
32,950	33,000	0	492	1,682	2,321	0	1,303	2,752	3,391
33,000	33,050	0	484	1,672	2,311	0	1,295	2,742	3,381
33,050	33,100	0	476	1,661	2,300	0	1,287	2,731	3,370
33,100	33,150	0	468	1,651	2,290	0	1,279	2,721	3,360
33,150	33,200	0	460	1,640	2,279	0	1,271	2,710	3,349
33,200	33,250	0	452	1,630	2,269	0	1,263	2,700	3,339
33,250	33,300	0	444	1,619	2,258	0	1,256	2,689	3,328
33,300	33,350	0	436	1,609	2,248	0	1,248	2,679	3,318
33,350	33,400	0	428	1,598	2,237	0	1,240	2,668	3,307
33,400	33,450	0	420	1,588	2,227	0	1,232	2,657	3,296
33,450	33,500	0	412	1,577	2,216	0	1,224	2,647	3,286
33,500	33,550	0	404	1,567	2,206	0	1,216	2,636	3,275
33,550	33,600	0	396	1,556	2,195	0	1,208	2,626	3,265
33,600	33,650	0	388	1,545	2,184	0	1,200	2,615	3,254
33,650	33,700	0	380	1,535	2,174	0	1,192	2,605	3,244
33,700	33,750	0	372	1,524	2,163	0	1,184	2,594	3,233
33,750	33,800	0	364	1,514	2,153	0	1,176	2,584	3,223
33,800	33,850	0	356	1,503	2,142	0	1,168	2,573	3,212
33,850	33,900	0	348	1,493	2,132	0	1,160	2,563	3,202
33,900	33,950	0	340	1,482	2,121	0	1,152	2,552	3,191
33,950	34,000	0	332	1,472	2,111	0	1,144	2,542	3,181
34,000	34,050	0	324	1,461	2,100	0	1,136	2,531	3,170
34,050	34,100	0	316	1,451	2,090	0	1,128	2,521	3,160
34,100	34,150	0	308	1,440	2,079	0	1,120	2,510	3,149
34,150	34,200	0	300	1,430	2,069	0	1,112	2,500	3,139
34,200	34,250	0	292	1,419	2,058	0	1,104	2,489	3,128
34,250	34,300	0	284	1,409	2,048	0	1,096	2,478	3,117
34,300	34,350	0	276	1,398	2,037	0	1,088	2,468	3,107
34,350	34,400	0	268	1,388	2,027	0	1,080	2,457	3,096
34,400	34,450	0	260	1,377	2,016	0	1,072	2,447	3,086
34,450	34,500	0	252	1,366	2,005	0	1,064	2,436	3,075
34,500	34,550	0	244	1,356	1,995	0	1,056	2,426	3,065
34,550	34,600	0	236	1,345	1,984	0	1,048	2,415	3,054
34,600	34,650	0	228	1,335	1,974	0	1,040	2,405	3,044
34,650	34,700	0	220	1,324	1,963	0	1,032	2,394	3,033
34,700	34,750	0	212	1,314	1,953	0	1,024	2,384	3,023
34,750	34,800	0	204	1,303	1,942	0	1,016	2,373	3,012
34,800	34,850	0	196	1,293	1,932	0	1,008	2,363	3,002
34,850	34,900	0	188	1,282	1,921	0	1,000	2,352	2,991
34,900	34,950	0	180	1,272	1,911	0	992	2,342	2,981
34,950	35,000	0	172	1,261	1,900	0	984	2,331	2,970
35,000	35,050	0	164	1,251	1,890	0	976	2,320	2,959
35,050	35,100	0	156	1,240	1,879	0	968	2,310	2,949
35,100	35,150	0	148	1,230	1,869	0	960	2,299	2,938
35,150	35,200	0	140	1,219	1,858	0	952	2,289	2,928
35,200	35,250	0	132	1,209	1,848	0	944	2,278	2,917
35,250	35,300	0	124	1,198	1,837	0	936	2,268	2,907
35,300	35,350	0	116	1,187	1,826	0	928	2,257	2,896
35,350	35,400	0	108	1,177	1,816	0	920	2,247	2,886
35,400	35,450	0	100	1,166	1,805	0	912	2,236	2,875
35,450	35,500	0	92	1,156	1,795	0	904	2,226	2,865

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
35,500	35,550	0	84	1,145	1,784	0	896	2,215	2,854
35,550	35,600	0	76	1,135	1,774	0	888	2,205	2,844
35,600	35,650	0	68	1,124	1,763	0	880	2,194	2,833
35,650	35,700	0	60	1,114	1,753	0	872	2,184	2,823
35,700	35,750	0	52	1,103	1,742	0	864	2,173	2,812
35,750	35,800	0	44	1,093	1,732	0	856	2,163	2,802
35,800	35,850	0	36	1,082	1,721	0	848	2,152	2,791
35,850	35,900	0	28	1,072	1,711	0	840	2,141	2,780
35,900	35,950	0	20	1,061	1,700	0	832	2,131	2,770
35,950	36,000	0	12	1,051	1,690	0	824	2,120	2,759
36,000	36,050	0	4	1,040	1,679	0	816	2,110	2,749
36,050	36,100	0	0	1,030	1,669	0	808	2,099	2,738
36,100	36,150	0	0	1,019	1,658	0	800	2,089	2,728
36,150	36,200	0	0	1,008	1,647	0	792	2,078	2,717
36,200	36,250	0	0	998	1,637	0	784	2,068	2,707
36,250	36,300	0	0	987	1,626	0	776	2,057	2,696
36,300	36,350	0	0	977	1,616	0	768	2,047	2,686
36,350	36,400	0	0	966	1,605	0	760	2,036	2,675
36,400	36,450	0	0	956	1,595	0	752	2,026	2,665
36,450	36,500	0	0	945	1,584	0	744	2,015	2,654
36,500	36,550	0	0	935	1,574	0	736	2,005	2,644
36,550	36,600	0	0	924	1,563	0	728	1,994	2,633
36,600	36,650	0	0	914	1,553	0	720	1,984	2,623
36,650	36,700	0	0	903	1,542	0	712	1,973	2,612
36,700	36,750	0	0	893	1,532	0	704	1,962	2,601
36,750	36,800	0	0	882	1,521	0	696	1,952	2,591
36,800	36,850	0	0	872	1,511	0	688	1,941	2,580
36,850	36,900	0	0	861	1,500	0	680	1,931	2,570
36,900	36,950	0	0	851	1,490	0	672	1,920	2,559
36,950	37,000	0	0	840	1,479	0	664	1,910	2,549
37,000	37,050	0	0	829	1,468	0	656	1,899	2,538
37,050	37,100	0	0	819	1,458	0	648	1,889	2,528
37,100	37,150	0	0	808	1,447	0	640	1,878	2,517
37,150	37,200	0	0	798	1,437	0	632	1,868	2,507
37,200	37,250	0	0	787	1,426	0	624	1,857	2,496
37,250	37,300	0	0	777	1,416	0	616	1,847	2,486
37,300	37,350	0	0	766	1,405	0	608	1,836	2,475
37,350	37,400	0	0	756	1,395	0	600	1,826	2,465
37,400	37,450	0	0	745	1,384	0	592	1,815	2,454
37,450	37,500	0	0	735	1,374	0	584	1,805	2,444
37,500	37,550	0	0	724	1,363	0	576	1,794	2,433
37,550	37,600	0	0	714	1,353	0	568	1,783	2,422
37,600	37,650	0	0	703	1,342	0	560	1,773	2,412
37,650	37,700	0	0	693	1,332	0	552	1,762	2,401
37,700	37,750	0	0	682	1,321	0	544	1,752	2,391
37,750	37,800	0	0	671	1,310	0	536	1,741	2,380
37,800	37,850	0	0	661	1,300	0	528	1,731	2,370
37,850	37,900	0	0	650	1,289	0	520	1,720	2,359
37,900	37,950	0	0	640	1,279	0	512	1,710	2,349
37,950	38,000	0	0	629	1,268	0	504	1,699	2,338
38,000	38,050	0	0	619	1,258	0	496	1,689	2,328
38,050	38,100	0	0	608	1,247	0	488	1,678	2,317
38,100	38,150	0	0	598	1,237	0	480	1,668	2,307
38,150	38,200	0	0	587	1,226	0	472	1,657	2,296
38,200	38,250	0	0	577	1,216	0	464	1,647	2,286
38,250	38,300	0	0	566	1,205	0	457	1,636	2,275
38,300	38,350	0	0	556	1,195	0	449	1,626	2,265
38,350	38,400	0	0	545	1,184	0	441	1,615	2,254
38,400	38,450	0	0	535	1,174	0	433	1,604	2,243
38,450	38,500	0	0	524	1,163	0	425	1,594	2,233

(Continued)

**2011 Earned Income Credit (EIC) Table--Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is--		And your filing status is--							
		Single, head of household, or qualifying widow(er) and you have--				Married filing jointly and you have--			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is--				Your credit is--			
38,500	38,550	0	0	514	1,153	0	417	1,583	2,222
38,550	38,600	0	0	503	1,142	0	409	1,573	2,212
38,600	38,650	0	0	492	1,131	0	401	1,562	2,201
38,650	38,700	0	0	482	1,121	0	393	1,552	2,191
38,700	38,750	0	0	471	1,110	0	385	1,541	2,180
38,750	38,800	0	0	461	1,100	0	377	1,531	2,170
38,800	38,850	0	0	450	1,089	0	369	1,520	2,159
38,850	38,900	0	0	440	1,079	0	361	1,510	2,149
38,900	38,950	0	0	429	1,068	0	353	1,499	2,138
38,950	39,000	0	0	419	1,058	0	345	1,489	2,128
39,000	39,050	0	0	408	1,047	0	337	1,478	2,117
39,050	39,100	0	0	398	1,037	0	329	1,468	2,107
39,100	39,150	0	0	387	1,026	0	321	1,457	2,096
39,150	39,200	0	0	377	1,016	0	313	1,447	2,086
39,200	39,250	0	0	366	1,005	0	305	1,436	2,075
39,250	39,300	0	0	356	995	0	297	1,425	2,064
39,300	39,350	0	0	345	984	0	289	1,415	2,054
39,350	39,400	0	0	335	974	0	281	1,404	2,043
39,400	39,450	0	0	324	963	0	273	1,394	2,033
39,450	39,500	0	0	313	952	0	265	1,383	2,022
39,500	39,550	0	0	303	942	0	257	1,373	2,012
39,550	39,600	0	0	292	931	0	249	1,362	2,001
39,600	39,650	0	0	282	921	0	241	1,352	1,991
39,650	39,700	0	0	271	910	0	233	1,341	1,980
39,700	39,750	0	0	261	900	0	225	1,331	1,970
39,750	39,800	0	0	250	889	0	217	1,320	1,959
39,800	39,850	0	0	240	879	0	209	1,310	1,949
39,850	39,900	0	0	229	868	0	201	1,299	1,938
39,900	39,950	0	0	219	858	0	193	1,289	1,928
39,950	40,000	0	0	208	847	0	185	1,278	1,917
40,000	40,050	0	0	198	837	0	177	1,267	1,906
40,050	40,100	0	0	187	826	0	169	1,257	1,896
40,100	40,150	0	0	177	816	0	161	1,246	1,885
40,150	40,200	0	0	166	805	0	153	1,236	1,875
40,200	40,250	0	0	156	795	0	145	1,225	1,864
40,250	40,300	0	0	145	784	0	137	1,215	1,854
40,300	40,350	0	0	134	773	0	129	1,204	1,843
40,350	40,400	0	0	124	763	0	121	1,194	1,833
40,400	40,450	0	0	113	752	0	113	1,183	1,822
40,450	40,500	0	0	103	742	0	105	1,173	1,812
40,500	40,550	0	0	92	731	0	97	1,162	1,801
40,550	40,600	0	0	82	721	0	89	1,152	1,791
40,600	40,650	0	0	71	710	0	81	1,141	1,780
40,650	40,700	0	0	61	700	0	73	1,131	1,770
40,700	40,750	0	0	50	689	0	65	1,120	1,759
40,750	40,800	0	0	40	679	0	57	1,110	1,749
40,800	40,850	0	0	29	668	0	49	1,099	1,738
40,850	40,900	0	0	19	658	0	41	1,088	1,727
40,900	40,950	0	0	8	647	0	33	1,078	1,717
40,950	41,000	0	0	*	637	0	25	1,067	1,706
41,000	41,050	0	0	0	626	0	17	1,057	1,696
41,050	41,100	0	0	0	616	0	9	1,046	1,685
41,100	41,150	0	0	0	605	0	**	1,036	1,675
41,150	41,200	0	0	0	594	0	0	1,025	1,664
41,200	41,250	0	0	0	584	0	0	1,015	1,654
41,250	41,300	0	0	0	573	0	0	1,004	1,643
41,300	41,350	0	0	0	563	0	0	994	1,633
41,350	41,400	0	0	0	552	0	0	983	1,622
41,400	41,450	0	0	0	542	0	0	973	1,612
41,450	41,500	0	0	0	531	0	0	962	1,601

\* If the amount you are looking up from the worksheet is at least \$40,950 but less than \$40,964, and you have two qualifying children, your credit is \$1. Otherwise, you cannot take the credit.

\*\* If the amount you are looking up from the worksheet is at least \$41,100 but less than \$41,132, and you have one qualifying child, your credit is \$3. Otherwise, you cannot take the credit.

(Continued)

**2011 Earned Income Credit (EIC) Table--Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is--		And your filing status is--							
		Single, head of household, or qualifying widow(er) and you have--				Married filing jointly and you have--			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is--				Your credit is--			
41,500	41,550	0	0	0	521	0	0	952	1,591
41,550	41,600	0	0	0	510	0	0	941	1,580
41,600	41,650	0	0	0	500	0	0	931	1,570
41,650	41,700	0	0	0	489	0	0	920	1,559
41,700	41,750	0	0	0	479	0	0	909	1,548
41,750	41,800	0	0	0	468	0	0	899	1,538
41,800	41,850	0	0	0	458	0	0	888	1,527
41,850	41,900	0	0	0	447	0	0	878	1,517
41,900	41,950	0	0	0	437	0	0	867	1,506
41,950	42,000	0	0	0	426	0	0	857	1,496
42,000	42,050	0	0	0	415	0	0	846	1,485
42,050	42,100	0	0	0	405	0	0	836	1,475
42,100	42,150	0	0	0	394	0	0	825	1,464
42,150	42,200	0	0	0	384	0	0	815	1,454
42,200	42,250	0	0	0	373	0	0	804	1,443
42,250	42,300	0	0	0	363	0	0	794	1,433
42,300	42,350	0	0	0	352	0	0	783	1,422
42,350	42,400	0	0	0	342	0	0	773	1,412
42,400	42,450	0	0	0	331	0	0	762	1,401
42,450	42,500	0	0	0	321	0	0	752	1,391
42,500	42,550	0	0	0	310	0	0	741	1,380
42,550	42,600	0	0	0	300	0	0	730	1,369
42,600	42,650	0	0	0	289	0	0	720	1,359
42,650	42,700	0	0	0	279	0	0	709	1,348
42,700	42,750	0	0	0	268	0	0	699	1,338
42,750	42,800	0	0	0	257	0	0	688	1,327
42,800	42,850	0	0	0	247	0	0	678	1,317
42,850	42,900	0	0	0	236	0	0	667	1,306
42,900	42,950	0	0	0	226	0	0	657	1,296
42,950	43,000	0	0	0	215	0	0	646	1,285
43,000	43,050	0	0	0	205	0	0	636	1,275
43,050	43,100	0	0	0	194	0	0	625	1,264
43,100	43,150	0	0	0	184	0	0	615	1,254
43,150	43,200	0	0	0	173	0	0	604	1,243
43,200	43,250	0	0	0	163	0	0	594	1,233
43,250	43,300	0	0	0	152	0	0	583	1,222
43,300	43,350	0	0	0	142	0	0	573	1,212
43,350	43,400	0	0	0	131	0	0	562	1,201
43,400	43,450	0	0	0	121	0	0	551	1,190
43,450	43,500	0	0	0	110	0	0	541	1,180
43,500	43,550	0	0	0	100	0	0	530	1,169
43,550	43,600	0	0	0	89	0	0	520	1,159
43,600	43,650	0	0	0	78	0	0	509	1,148
43,650	43,700	0	0	0	68	0	0	499	1,138
43,700	43,750	0	0	0	57	0	0	488	1,127
43,750	43,800	0	0	0	47	0	0	478	1,117
43,800	43,850	0	0	0	36	0	0	467	1,106
43,850	43,900	0	0	0	26	0	0	457	1,096
43,900	43,950	0	0	0	15	0	0	446	1,085
43,950	44,000	0	0	0	*	0	0	436	1,075
44,000	44,050	0	0	0	0	0	0	425	1,064
44,050	44,100	0	0	0	0	0	0	415	1,054
44,100	44,150	0	0	0	0	0	0	404	1,043
44,150	44,200	0	0	0	0	0	0	394	1,033
44,200	44,250	0	0	0	0	0	0	383	1,022
44,250	44,300	0	0	0	0	0	0	372	1,011
44,300	44,350	0	0	0	0	0	0	362	1,001
44,350	44,400	0	0	0	0	0	0	351	990
44,400	44,450	0	0	0	0	0	0	341	980
44,450	44,500	0	0	0	0	0	0	330	969

\* If the amount you are looking up from the worksheet is at least \$43,950 but less than \$43,998, and you have three qualifying children, your credit is \$5. Otherwise, you cannot take the credit.

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
44,500	44,550	0	0	0	0	0	0	320	959
44,550	44,600	0	0	0	0	0	0	309	948
44,600	44,650	0	0	0	0	0	0	299	938
44,650	44,700	0	0	0	0	0	0	288	927
44,700	44,750	0	0	0	0	0	0	278	917
44,750	44,800	0	0	0	0	0	0	267	906
44,800	44,850	0	0	0	0	0	0	257	896
44,850	44,900	0	0	0	0	0	0	246	885
44,900	44,950	0	0	0	0	0	0	236	875
44,950	45,000	0	0	0	0	0	0	225	864
45,000	45,050	0	0	0	0	0	0	214	853
45,050	45,100	0	0	0	0	0	0	204	843
45,100	45,150	0	0	0	0	0	0	193	832
45,150	45,200	0	0	0	0	0	0	183	822
45,200	45,250	0	0	0	0	0	0	172	811
45,250	45,300	0	0	0	0	0	0	162	801
45,300	45,350	0	0	0	0	0	0	151	790
45,350	45,400	0	0	0	0	0	0	141	780
45,400	45,450	0	0	0	0	0	0	130	769
45,450	45,500	0	0	0	0	0	0	120	759
45,500	45,550	0	0	0	0	0	0	109	748
45,550	45,600	0	0	0	0	0	0	99	738
45,600	45,650	0	0	0	0	0	0	88	727
45,650	45,700	0	0	0	0	0	0	78	717
45,700	45,750	0	0	0	0	0	0	67	706
45,750	45,800	0	0	0	0	0	0	57	696
45,800	45,850	0	0	0	0	0	0	46	685
45,850	45,900	0	0	0	0	0	0	35	674
45,900	45,950	0	0	0	0	0	0	25	664
45,950	46,000	0	0	0	0	0	0	14	653
46,000	46,050	0	0	0	0	0	0	*	643
46,050	46,100	0	0	0	0	0	0	0	632
46,100	46,150	0	0	0	0	0	0	0	622
46,150	46,200	0	0	0	0	0	0	0	611
46,200	46,250	0	0	0	0	0	0	0	601
46,250	46,300	0	0	0	0	0	0	0	590
46,300	46,350	0	0	0	0	0	0	0	580
46,350	46,400	0	0	0	0	0	0	0	569
46,400	46,450	0	0	0	0	0	0	0	559
46,450	46,500	0	0	0	0	0	0	0	548
46,500	46,550	0	0	0	0	0	0	0	538
46,550	46,600	0	0	0	0	0	0	0	527
46,600	46,650	0	0	0	0	0	0	0	517
46,650	46,700	0	0	0	0	0	0	0	506
46,700	46,750	0	0	0	0	0	0	0	495
46,750	46,800	0	0	0	0	0	0	0	485
46,800	46,850	0	0	0	0	0	0	0	474
46,850	46,900	0	0	0	0	0	0	0	464
46,900	46,950	0	0	0	0	0	0	0	453
46,950	47,000	0	0	0	0	0	0	0	443
47,000	47,050	0	0	0	0	0	0	0	432
47,050	47,100	0	0	0	0	0	0	0	422
47,100	47,150	0	0	0	0	0	0	0	411
47,150	47,200	0	0	0	0	0	0	0	401
47,200	47,250	0	0	0	0	0	0	0	390
47,250	47,300	0	0	0	0	0	0	0	380
47,300	47,350	0	0	0	0	0	0	0	369
47,350	47,400	0	0	0	0	0	0	0	359
47,400	47,450	0	0	0	0	0	0	0	348
47,450	47,500	0	0	0	0	0	0	0	338

\* If the amount you are looking up from the worksheet is at least \$46,000 but less than \$46,044, and you have two qualifying children, your credit is \$5. Otherwise, you cannot take the credit.

(Continued)

**2011 Earned Income Credit (EIC) Table—Continued**

**(Caution. This is not a tax table.)**

If the amount you are looking up from the worksheet is—		And your filing status is—							
		Single, head of household, or qualifying widow(er) and you have—				Married filing jointly and you have—			
		No Children	One Child	Two Children	Three Children	No Children	One Child	Two Children	Three Children
At least	But less than	Your credit is—				Your credit is—			
47,500	47,550	0	0	0	0	0	0	0	327
47,550	47,600	0	0	0	0	0	0	0	316
47,600	47,650	0	0	0	0	0	0	0	306
47,650	47,700	0	0	0	0	0	0	0	295
47,700	47,750	0	0	0	0	0	0	0	285
47,750	47,800	0	0	0	0	0	0	0	274
47,800	47,850	0	0	0	0	0	0	0	264
47,850	47,900	0	0	0	0	0	0	0	253
47,900	47,950	0	0	0	0	0	0	0	243
47,950	48,000	0	0	0	0	0	0	0	232
48,000	48,050	0	0	0	0	0	0	0	222
48,050	48,100	0	0	0	0	0	0	0	211
48,100	48,150	0	0	0	0	0	0	0	201
48,150	48,200	0	0	0	0	0	0	0	190
48,200	48,250	0	0	0	0	0	0	0	180
48,250	48,300	0	0	0	0	0	0	0	169
48,300	48,350	0	0	0	0	0	0	0	159
48,350	48,400	0	0	0	0	0	0	0	148
48,400	48,450	0	0	0	0	0	0	0	137
48,450	48,500	0	0	0	0	0	0	0	127
48,500	48,550	0	0	0	0	0	0	0	116
48,550	48,600	0	0	0	0	0	0	0	106
48,600	48,650	0	0	0	0	0	0	0	95
48,650	48,700	0	0	0	0	0	0	0	85
48,700	48,750	0	0	0	0	0	0	0	74
48,750	48,800	0	0	0	0	0	0	0	64
48,800	48,850	0	0	0	0	0	0	0	53
48,850	48,900	0	0	0	0	0	0	0	43
48,900	48,950	0	0	0	0	0	0	0	32
48,950	49,000	0	0	0	0	0	0	0	22
49,000	49,050	0	0	0	0	0	0	0	11
49,050	49,078	0	0	0	0	0	0	0	3

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**Line 65****Additional Child Tax Credit****What Is the Additional Child Tax Credit?**

This credit is for certain people who have at least one qualifying child as defined in the instructions for line 6c. The additional child tax credit may give you a refund even if you do not owe any tax.

**Two Steps To Take the Additional Child Tax Credit!**

**Step 1.** Be sure you figured the amount, if any, of your child tax credit. See the instructions for line 51.

**Step 2.** Read the TIP at the end of your Child Tax Credit Worksheet. Use Form 8812 to see if you can take the additional child tax credit, but only if you meet the condition given in that TIP.

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**Line 66****American Opportunity Credit**

If you meet the requirements to claim an education credit (see the instructions for line 49), enter on line 66 the amount, if any, from Form 8863, line 14.

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**Line 67****First-Time Homebuyer Credit**

You can claim this credit only if:

- You (or your spouse if married) were a member of the uniformed services or Foreign Service, or an employee of the intelligence community, on qualified official extended duty outside the United States for at least 90 days during the period beginning after December 31, 2008, and ending before May 1, 2010, and
- You bought a main home in the United States in 2011 before May 1.

For more details and additional requirements, see Form 5405 and its instructions.

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**Line 68****Amount Paid With Request for Extension To File**

If you filed Form 4868 to get an automatic extension of time to file Form 1040, enter any amount you paid with that form or by electronic funds withdrawal, credit or debit card, or the Electronic Federal Tax Payment System (EFTPS). If you paid by credit or debit card, do not include on line 68 the convenience fee you were charged. Also, include any amounts paid with Form 2350.



You may be able to deduct any credit or debit card convenience fees on your 2012 Schedule A.

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**Line 69****Excess Social Security and Tier 1 RRTA Tax Withheld**

If you, or your spouse if filing a joint return, had more than one employer for 2011 and total wages of more than \$106,800, too much social security or tier 1 railroad retirement (RRTA) tax may have been withheld. You can take a credit on this line for the amount withheld in excess of \$4,485.60. But if any one employer withheld more than \$4,485.60, you cannot claim the excess on your return. The employer should adjust the tax for you. If the employer does not adjust the overcollection, you can file a claim for refund using Form 843. Figure this amount separately for you and your spouse.

You cannot claim a refund for excess tier 2 RRTA tax on Form 1040. Instead, use Form 843.

For more details, see Pub. 505.

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**Line 70****Credit for Federal Tax on Fuels**

Enter any credit for federal excise taxes paid on fuels that are ultimately used for a nontaxable purpose (for example, an off-highway business use). Attach Form 4136.

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**Line 71**

Check the box(es) on line 71 to report any credit from Form 2439, 8839, 8801 (line 27), or 8885. If you claim more than one of these credits, enter the total on line 71.

If you are claiming a credit for repayment of amounts you included in your income in an earlier year because it appeared you had a right to the income, include the credit on line 71 and enter "I.R.C. 1341" to the right of line 71. See Pub. 525 for details about this credit.

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**Refund**

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**Line 73****Amount Overpaid**

If line 73 is under \$1, we will send a refund only on written request.



If the amount you overpaid is large, you may want to decrease the amount of income tax withheld from your pay by filing a new Form W-4. See Income Tax Withholding and Estimated Tax Payments for 2012 under General Information, later.

**Refund Offset**

If you owe past-due federal tax, state income tax, state unemployment compensation debts, child support, spousal support, or certain federal nontax debts, such as student loans, all or part of the overpayment on line 73 may be used (offset) to pay the past-due amount. Offsets for federal taxes are made by the IRS. All other offsets are made by the Treasury Department's Financial Management Service (FMS). For federal tax offsets, you will receive a notice from the IRS. For all other offsets, you will receive a notice from FMS. To find out if you may have an offset or if you have any questions about it, contact the agency to which you owe the debt.

**Injured Spouse**

If you file a joint return and your spouse has not paid past-due federal tax, state income tax, state unemployment compensation debts, child support, spousal support, or a federal nontax debt, such as a student loan, part or all of the overpayment on line 73 may be used (offset) to pay the past-due amount. But your part of the overpayment may be refunded to you if certain conditions apply and you complete Form 8379. For details, use TeleTax topic 203 or see Form 8379.

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**Lines 74a Through 74d**  
**Amount Refunded to You**

If you want to check the status of your refund, see *Refund Information*, later. Before checking the status of your refund, please wait at least 72 hours after IRS acknowledges receipt of your e-filed return (3 to 4 weeks after you mail a paper return). But if you filed Form 5405, 8379, or 8839 with your return, allow 14 weeks (11 weeks if you filed electronically).

**Effect of refund on benefits.** Any refund you receive cannot be counted as income when determining if you or anyone else is eligible for benefits or assistance, or how much you or anyone else can receive, under any federal program or under any state or local program financed in whole or in part with federal funds. These programs include Temporary Assistance for Needy Families (TANF), Medicaid, Supplemental Security Income (SSI), and Supplemental Nutrition Assistance Program (food stamps). In addition, when determining eligibility, the refund cannot be counted as a resource for at least 12 months after you receive it. Check with your local benefit coordinator to find out if your refund will affect your benefits.

**DIRECT DEPOSIT**

*Simple. Safe. Secure.*

**Fast Refunds!** Choose direct deposit—a fast, simple, safe, secure way to have your refund deposited automatically to your checking or savings account, including an individual retirement arrangement (IRA). See the information about IRAs later.

If you want us to directly deposit the amount shown on line 74a to your checking or savings account, including an IRA, at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) in the United States:

- Complete lines 74b through 74d (if you want your refund deposited to only one account), or
- Check the box on line 74a and attach Form 8888 if you want to split the direct deposit of your refund into more than one account or use all or part of your refund to buy paper series I savings bonds.

If you do not want your refund directly deposited to your account, do not check the box on line 74a. Draw a line through the boxes on lines 74b and 74d. We will send you a check instead.

**Why Use Direct Deposit?**

- You get your refund faster by direct deposit than you do by check.
- Payment is more secure. There is no check that can get lost or stolen.
- It is more convenient. You do not have to make a trip to the bank to deposit your check.
- It saves tax dollars. It costs the government less to refund by direct deposit.



*If you file a joint return and check the box on line 74a and attach Form 8888 or fill in lines 74b through 74d, your spouse may get at least part of the refund.*

**IRA.** You can have your refund (or part of it) directly deposited to a traditional IRA, Roth IRA, or SEP-IRA, but not a SIMPLE IRA. You must establish the IRA at a bank or other financial institution before you request direct deposit. Make sure your direct deposit will be accepted. You must also notify the trustee or custodian of your account of the year to which the deposit is to be applied (unless the trustee or custodian will not accept a deposit for 2011). If you do not, the trustee or custodian can assume the deposit is for the year during which you are filing the return. For example, if you file your 2011 return during 2012 and do not notify the trustee or custodian in advance, the trustee or custodian can assume the deposit to your IRA is for 2012. If you designate your deposit to be for 2011, you must verify that the deposit was actually made to the account by the due date of the return (without regard to extensions). If the deposit is not made by that date, the deposit

is not an IRA contribution for 2011. In that case, you must file an amended 2011 return and reduce any IRA deduction and any retirement savings contributions credit you claimed.



*You and your spouse, if filing jointly, each may be able to contribute up to \$5,000 (\$6,000 if age 50 or older at the end of 2011) to a traditional IRA or Roth IRA for 2011. The limit for 2012 is also \$5,000 (\$6,000 if age 50 or older at the end of 2012). You may owe a penalty if your contributions exceed these limits.*

For more information on IRAs, see Pub. 590.

**TreasuryDirect®.** You can request a deposit of your refund (or part of it) to a TreasuryDirect® online account to buy U.S. Treasury marketable securities and savings bonds. For more information, go to [www.treasurydirect.gov](http://www.treasurydirect.gov).

**Form 8888.** You can have your refund directly deposited into more than one account or use it to buy up to \$5,000 in paper series I savings bonds. You do not need a TreasuryDirect® account to do this. For more information, see the Form 8888 instructions.

**Line 74a**

You cannot file Form 8888 to split your refund into more than one account or buy paper series I savings bonds if Form 8379 is filed with your return.

**Line 74b**

The routing number must be nine digits. The first two digits must be 01 through 12 or 21 through 32. On the sample check below, the routing number is 250250025. Tony and Jennifer Maple would use that routing number unless their financial institution instructed them to use a different routing number for direct deposits.

Ask your financial institution for the correct routing number to enter on line 74b if:

- The routing number on a deposit slip is different from the routing number on your checks,
- Your deposit is to a savings account that does not allow you to write checks, or
- Your checks state they are payable through a financial institution different from the one at which you have your checking account.

**Line 74c**

Check the appropriate box for the type of account. Do not check more than one box. If the deposit is to an account such as an IRA, health savings account, brokerage account, or other similar account, ask your financial institution whether you should check the “Checking” or “Savings” box. You must check the correct box to ensure your deposit is accepted. For a TreasuryDirect® online account, check the “Savings” box.

**Line 74d**

The account number can be up to 17 characters (both numbers and letters). Include hyphens but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank. On the sample check below, the account number is 20202086. Do not include the check number.

If the direct deposit to your account(s) is different from the amount you expected, you will receive an explanation in the mail about 2 weeks after your refund is deposited.

**Reasons Your Direct Deposit Request May Be Rejected**

If any of the following apply, your direct deposit request will be rejected and a check will be sent instead.

- Any numbers or letters on lines 74b through 74d are crossed out or whited out.

**Sample Check—Lines 74b Through 74d**

TONY MAPLE  
JENNIFER MAPLE  
123 Pear Lane  
Anyplace, GA 00000

PAY TO THE ORDER OF \_\_\_\_\_ \$ 1234.00  
DOLLARS

ANYPLACE BANK  
Anyplace, GA 00000

For \_\_\_\_\_

①: (250250025) ②: 20202086 ③: 1234

1234  
15-00007000

Do not include the check number.



*The routing and account numbers may be in different places on your check.*

- Your financial institution(s) will not allow a joint refund to be deposited to an individual account. The IRS is not responsible if a financial institution rejects a direct deposit.

- You request a deposit of your refund to an account that is not in your name (such as your tax preparer's own account).

- You file your 2011 return after December 31, 2012.



*The IRS is not responsible for a lost refund if you enter the wrong account information. Check with your financial institution to get the correct routing and account numbers and to make sure your direct deposit will be accepted.*

## Line 75

### Applied to Your 2012 Estimated Tax

Enter on line 75 the amount, if any, of the overpayment on line 73 you want applied to your 2012 estimated tax. We will apply this amount to your account unless you include a statement requesting us to apply it to your spouse's account. Include your spouse's social security number in the statement.



*This election to apply part or all of the amount overpaid to your 2012 estimated tax cannot be changed later.*

## Amount You Owe

 IRS e-file offers you the electronic payment option of electronic funds withdrawal (EFW). EFW can be used to pay your current year balance due and can be used to make up to four estimated tax payments. If you are filing early, you can schedule your payment for withdrawal from your account on a future date, up to and including April 17, 2012. If you file your return after April 17, 2012, you can include interest and penalty in your payment. Visit [www.irs.gov/e-pay](http://www.irs.gov/e-pay) for details.

You can also pay using EFTPS, a free tax payment system that allows you to make payments online or by phone. For more information or details on enrolling, visit [www.irs.gov/e-pay](http://www.irs.gov/e-pay) or [www.eftps.gov](http://www.eftps.gov) or call EFTPS' Customer Service at 1-800-316-6541. TTY/TDD help is available by calling 1-800-733-4829.

## Line 76

### Amount You Owe



*To save interest and penalties, pay your taxes in full by April 17, 2012. You do not have to pay if line 76 is under \$1.*

Include any estimated tax penalty from line 77 in the amount you enter on line 76.

You can pay by check, money order, credit or debit card, or EFTPS. Do not include any estimated tax payment for 2012 in this payment. Instead, make the estimated tax payment separately.

**To pay by check or money order.** Make your check or money order payable to the "United States Treasury" for the full amount due. Do not send cash. Do not attach the payment to your return. Write "2011 Form 1040" and your name, address, daytime phone number, and social security number (SSN) on your payment. If you are filing a joint return, enter the SSN shown first on your tax return.

To help us process your payment, enter the amount on the right side of the check like this: \$ XXX.XX. Do not use dashes or lines (for example, do not enter "\$ XXX—" or "\$ XXX<sup>xx</sup>/<sub>100</sub>").

Then, complete Form 1040-V following the instructions on that form and enclose it in the envelope with your tax return and payment. Although you do not have to use Form 1040-V, doing so allows us to process your payment more accurately and efficiently.

**Bad check or payment.** The penalty for writing a bad check to the IRS is \$25 or 2% of the check, whichever is more. This penalty also applies to other forms of payment if the IRS does not receive the funds. Use TeleTax topic 206.

**To pay by credit or debit card or EFTPS.** For information on these payment methods, go to [www.irs.gov/e-pay](http://www.irs.gov/e-pay).



*You may need to (a) increase the amount of income tax withheld from your pay by filing a new Form W-4, (b) increase the tax withheld from other income by filing Form W-4P or W-4V, or (c) make estimated tax payments for 2012. See Income Tax Withholding and Estimated Tax Payments for 2012 under General Information, later.*

### What If You Cannot Pay?

If you cannot pay the full amount shown on line 76 when you file, you can ask for:

- An installment agreement, or
- An extension of time to pay.

**Installment agreement.** Under an installment agreement, you can pay all or part of the tax you owe in monthly installments. However, even if your request to pay in installments is granted, you will be charged interest and may be charged a late payment penalty on the tax not paid by April 17, 2012. You must also pay a fee. To limit the

interest and penalty charges, pay as much of the tax as possible when you file. But before requesting an installment agreement, you should consider other less costly alternatives, such as a bank loan or credit card payment.

To ask for an installment agreement, you can apply online or use Form 9465 or 9465-FS. To apply online, go to [IRS.gov](http://IRS.gov) and click on "Tools" and then "Online Payment Agreement."

**Extension of time to pay.** If paying the tax when it is due would cause you an undue hardship, you can ask for an extension of time to pay by filing Form 1127 by April 17, 2012. An extension generally will not be granted for more than 6 months. If you pay after April 17, 2012, you will be charged interest on the tax not paid by April 15, 2012. You must pay the tax before the extension runs out. If you do not, penalties may be imposed.

## Line 77

### Estimated Tax Penalty

You may owe this penalty if:

- Line 76 is at least \$1,000 and it is more than 10% of the tax shown on your return, or
- You did not pay enough estimated tax by any of the due dates. This is true even if you are due a refund.

For most people, the "tax shown on your return" is the amount on your 2011 Form 1040, line 61, minus the total of any amounts shown on lines 64a, 65, 66, 67, and 70 and Forms 8828, 4137, 5329 (Parts III through VIII only), 8801 (line 27 only), 8839, 8885, and 8919. Also subtract from line 61 any tax on an excess parachute payment, any excise tax on insider stock compensation of an expatriated corporation, any uncollected social security and Medicare or RRTA tax on tips or group-term life insurance, any look-back interest due under section 167(g) or 460(b), and any write-in tax included on line 60 from Form 8885. When figuring the amount on line 61, include household employment taxes only if line 62 is more than zero or you would owe the penalty even if you did not include those taxes.

**Exception.** You will not owe the penalty if your 2010 tax return was for a tax year of 12 full months and either of the following applies.

1. You had no tax shown on your 2010 return and you were a U.S. citizen or resident for all of 2010.

2. The total of lines 62, 63, and 69 on your 2011 return is at least 100% of the tax shown on your 2010 return (110% of that amount if you are not a farmer or fisherman, and your adjusted gross income (AGI) shown on your 2010 return was more than \$150,000 (more than \$75,000 if married filing separately for 2011)). Your estimated tax payments for 2011 must have

been made on time and for the required amount.

For most people, the “tax shown on your 2010 return” is the amount on your 2010 Form 1040, line 60, minus the total of any amounts shown on lines 63, 64a, 65, 66, and 67 and Forms 8828, 4137, 4136, 5329 (Parts III through VIII only), 8801 (line 27 only), 8885, and 8919. Also subtract from line 60 any tax on an excess parachute payment, any excise tax on insider stock compensation of an expatriated corporation, any uncollected social security and Medicare or RRTA tax on tips or group-term life insurance, any look-back interest due under section 167(g) or 460(b), and any write-in tax included on line 60 from Form 8885. When figuring the amount on line 60, include household employment taxes only if line 61 is more than zero or you would have owed the estimated tax penalty for 2010 even if you did not include those taxes. But if you entered an amount on your 2010 Schedule H, line 7, include the total of that amount plus the household employment taxes on your 2010 Form 1040, line 59.

### Figuring the Penalty

If the *Exception* just described does not apply and you choose to figure the penalty yourself, use Form 2210 (or 2210-F for farmers and fishermen).

Enter any penalty on line 77. Add the penalty to any tax due and enter the total on line 76.

However, if you have an overpayment on line 73, subtract the penalty from the amount you would otherwise enter on line 74a or line 75. Lines 74a, 75, and 77 must equal line 73.

If the penalty is more than the overpayment on line 73, enter -0- on lines 74a and 75. Then subtract line 73 from line 77 and enter the result on line 76.

Do not file Form 2210 with your return unless Form 2210 indicates that you must do so. Instead, keep it for your records.



*Because Form 2210 is complicated, you can leave line 77 blank and the IRS will figure the penalty and send you a bill.*

*We will not charge you interest on the penalty if you pay by the date specified on the bill. If your income varied during the year, the annualized income installment method may reduce the amount of your penalty. But you must file Form 2210 because the IRS cannot figure your penalty under this method. See the Instructions for Form 2210 for other situations in which you may be able to lower your penalty by filing Form 2210.*

## Third Party Designee

If you want to allow your preparer, a friend, a family member, or any other person you choose to discuss your 2011 tax return with the IRS, check the “Yes” box in the “Third

Party Designee” area of your return. Also, enter the designee’s name, phone number, and any five digits the designee chooses as his or her personal identification number (PIN).

If you check the “Yes” box, you, and your spouse if filing a joint return, are authorizing the IRS to call the designee to answer any questions that may arise during the processing of your return. You are also authorizing the designee to:

- Give the IRS any information that is missing from your return,
- Call the IRS for information about the processing of your return or the status of your refund or payment(s),
- Receive copies of notices or transcripts related to your return, upon request, and
- Respond to certain IRS notices about math errors, offsets, and return preparation.

You are not authorizing the designee to receive any refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the IRS. If you want to expand the designee’s authorization, see Pub. 947.

The authorization will automatically end no later than the due date (without regard to extensions) for filing your 2012 tax return. This is April 15, 2013, for most people. If you wish to revoke the authorization before it ends, see Pub. 947.

## Sign Your Return

Form 1040 is not considered a valid return unless you sign it. If you are filing a joint return, your spouse must also sign. If your spouse cannot sign the return, see Pub. 501. Be sure to date your return and enter your occupation(s). If you have someone prepare your return, you are still responsible for the correctness of the return. If your return is signed by a representative for you, you must have a power of attorney attached that specifically authorizes the representative to sign your return. To do this, you can use Form 2848. If you are filing a joint return as a surviving spouse, see *Death of a Taxpayer*, later.

### Child’s Return

If your child cannot sign the return, either parent can sign the child’s name in the space provided. Then, enter “By (your signature), parent for minor child.”

### Daytime Phone Number

Providing your daytime phone number may help speed the processing of your return. We may have questions about items on your return, such as the earned income credit, credit for child and dependent care expenses, etc. If you answer our questions over the phone, we may be able to continue processing your return without mailing you

a letter. If you are filing a joint return, you can enter either your or your spouse’s daytime phone number.



## Electronic Return Signatures!

To file your return electronically, you must sign the return electronically using a personal identification number (PIN). If you are filing online using software, you must use a Self-Select PIN. If you are filing electronically using a tax practitioner, you can use a Self-Select PIN or a Practitioner PIN.

**Self-Select PIN.** The Self-Select PIN method allows you to create your own PIN. If you are married filing jointly, you and your spouse will each need to create a PIN and enter these PINs as your electronic signatures.

A PIN is any combination of five digits you choose except five zeros. If you use a PIN, there is nothing to sign and nothing to mail—not even your Forms W-2.

To verify your identity, you will be prompted to enter your adjusted gross income (AGI) from your originally filed 2010 federal income tax return, if applicable. Do not use your AGI from an amended return (Form 1040X) or a math error correction made by IRS. AGI is the amount shown on your 2010 Form 1040, line 38; Form 1040A, line 22; or Form 1040EZ, line 4. If you do not have your 2010 income tax return, call the IRS at 1-800-908-9946 to get a free transcript of your return or visit IRS.gov and click on “Order a Tax Return or Account Transcript.” (If you filed electronically last year, you may use your prior year PIN to verify your identity instead of your prior year AGI. The prior year PIN is the five digit PIN you used to electronically sign your 2010 return.) You will also be prompted to enter your date of birth (DOB).



*You cannot use the Self-Select PIN method if you are a first-time filer under age 16 at the end of 2011.*



*If you cannot locate your prior year AGI or prior year PIN, use the Electronic Filing PIN Request. This can be found at IRS.gov. Click on “Tools” and then “Electronic Filing PIN Request.” Or you can call 1-866-704-7388.*

**Practitioner PIN.** The Practitioner PIN method allows you to authorize your tax practitioner to enter or generate your PIN. The practitioner can provide you with details.

**Form 8453.** You must send in a paper Form 8453 if you have to attach certain forms or other documents that cannot be electronically filed. For details, see Form 8453.

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## **Identity Protection PIN**

If the IRS gave you an identity protection personal identification number (PIN) because you were a victim of identity theft, enter it in the spaces provided below your daytime phone number. If the IRS has not given you this type of number, leave these spaces blank.

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## **Paid Preparer Must Sign Your Return**

Generally, anyone you pay to prepare your return must sign it and include their

Preparer Tax Identification Number (PTIN) in the space provided. The preparer must give you a copy of the return for your records. Someone who prepares your return but does not charge you should not sign your return.

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## **Assemble Your Return**

Assemble any schedules and forms behind Form 1040 in order of the “Attachment Se-

quence No.” shown in the upper right corner of the schedule or form. If you have supporting statements, arrange them in the same order as the schedules or forms they support and attach them last. Do not attach correspondence or other items unless required to do so. Attach a copy of Forms W-2 and 2439 to the front of Form 1040. If you received a Form W-2c (a corrected Form W-2), attach a copy of your original Forms W-2 and any Forms W-2c. Also attach Forms W-2G and 1099-R to the front of Form 1040 if tax was withheld.

# 2011 Tax Table



See the instructions for line 44 to see if you must use the Tax Table below to figure your tax.

**Example.** Mr. and Mrs. Brown are filing a joint return. Their taxable income on Form 1040, line 43, is \$25,300. First, they find the \$25,300 – 25,350 taxable income line. Next, they find the column for married filing jointly and read down the column. The amount shown where the taxable income line and filing status column meet is \$2,949. This is the tax amount they should enter on Form 1040, line 44.

**Sample Table**

At Least	But Less Than	Single	Married filing jointly *	Married filing separately	Head of a household
<b>Your tax is—</b>					
25,200	25,250	3,359	2,934	3,359	3,176
25,250	25,300	3,366	2,941	3,366	3,184
25,300	25,350	3,374	(2,949)	3,374	3,191
25,350	25,400	3,381	2,956	3,381	3,199

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
<b>Your tax is—</b>					
0	5	0	0	0	0
5	15	1	1	1	1
15	25	2	2	2	2
25	50	4	4	4	4
50	75	6	6	6	6
75	100	9	9	9	9
100	125	11	11	11	11
125	150	14	14	14	14
150	175	16	16	16	16
175	200	19	19	19	19
200	225	21	21	21	21
225	250	24	24	24	24
250	275	26	26	26	26
275	300	29	29	29	29
300	325	31	31	31	31
325	350	34	34	34	34
350	375	36	36	36	36
375	400	39	39	39	39
400	425	41	41	41	41
425	450	44	44	44	44
450	475	46	46	46	46
475	500	49	49	49	49
500	525	51	51	51	51
525	550	54	54	54	54
550	575	56	56	56	56
575	600	59	59	59	59
600	625	61	61	61	61
625	650	64	64	64	64
650	675	66	66	66	66
675	700	69	69	69	69
700	725	71	71	71	71
725	750	74	74	74	74
750	775	76	76	76	76
775	800	79	79	79	79
800	825	81	81	81	81
825	850	84	84	84	84
850	875	86	86	86	86
875	900	89	89	89	89
900	925	91	91	91	91
925	950	94	94	94	94
950	975	96	96	96	96
975	1,000	99	99	99	99
<b>1,000</b>					
1,000	1,025	101	101	101	101
1,025	1,050	104	104	104	104
1,050	1,075	106	106	106	106
1,075	1,100	109	109	109	109
1,100	1,125	111	111	111	111
1,125	1,150	114	114	114	114
1,150	1,175	116	116	116	116
1,175	1,200	119	119	119	119
1,200	1,225	121	121	121	121
1,225	1,250	124	124	124	124
1,250	1,275	126	126	126	126
1,275	1,300	129	129	129	129

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
<b>Your tax is—</b>					
1,300	1,325	131	131	131	131
1,325	1,350	134	134	134	134
1,350	1,375	136	136	136	136
1,375	1,400	139	139	139	139
1,400	1,425	141	141	141	141
1,425	1,450	144	144	144	144
1,450	1,475	146	146	146	146
1,475	1,500	149	149	149	149
1,500	1,525	151	151	151	151
1,525	1,550	154	154	154	154
1,550	1,575	156	156	156	156
1,575	1,600	159	159	159	159
1,600	1,625	161	161	161	161
1,625	1,650	164	164	164	164
1,650	1,675	166	166	166	166
1,675	1,700	169	169	169	169
1,700	1,725	171	171	171	171
1,725	1,750	174	174	174	174
1,750	1,775	176	176	176	176
1,775	1,800	179	179	179	179
1,800	1,825	181	181	181	181
1,825	1,850	184	184	184	184
1,850	1,875	186	186	186	186
1,875	1,900	189	189	189	189
1,900	1,925	191	191	191	191
1,925	1,950	194	194	194	194
1,950	1,975	196	196	196	196
1,975	2,000	199	199	199	199
<b>2,000</b>					
2,000	2,025	201	201	201	201
2,025	2,050	204	204	204	204
2,050	2,075	206	206	206	206
2,075	2,100	209	209	209	209
2,100	2,125	211	211	211	211
2,125	2,150	214	214	214	214
2,150	2,175	216	216	216	216
2,175	2,200	219	219	219	219
2,200	2,225	221	221	221	221
2,225	2,250	224	224	224	224
2,250	2,275	226	226	226	226
2,275	2,300	229	229	229	229
2,300	2,325	231	231	231	231
2,325	2,350	234	234	234	234
2,350	2,375	236	236	236	236
2,375	2,400	239	239	239	239
2,400	2,425	241	241	241	241
2,425	2,450	244	244	244	244
2,450	2,475	246	246	246	246
2,475	2,500	249	249	249	249
2,500	2,525	251	251	251	251
2,525	2,550	254	254	254	254
2,550	2,575	256	256	256	256
2,575	2,600	259	259	259	259
2,600	2,625	261	261	261	261
2,625	2,650	264	264	264	264
2,650	2,675	266	266	266	266
2,675	2,700	269	269	269	269

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly *	Married filing separately	Head of a household
<b>Your tax is—</b>					
2,700	2,725	271	271	271	271
2,725	2,750	274	274	274	274
2,750	2,775	276	276	276	276
2,775	2,800	279	279	279	279
2,800	2,825	281	281	281	281
2,825	2,850	284	284	284	284
2,850	2,875	286	286	286	286
2,875	2,900	289	289	289	289
2,900	2,925	291	291	291	291
2,925	2,950	294	294	294	294
2,950	2,975	296	296	296	296
2,975	3,000	299	299	299	299
<b>3,000</b>					
3,000	3,050	303	303	303	303
3,050	3,100	308	308	308	308
3,100	3,150	313	313	313	313
3,150	3,200	318	318	318	318
3,200	3,250	323	323	323	323
3,250	3,300	328	328	328	328
3,300	3,350	333	333	333	333
3,350	3,400	338	338	338	338
3,400	3,450	343	343	343	343
3,450	3,500	348	348	348	348
3,500	3,550	353	353	353	353
3,550	3,600	358	358	358	358
3,600	3,650	363	363	363	363
3,650	3,700	368	368	368	368
3,700	3,750	373	373	373	373
3,750	3,800	378	378	378	378
3,800	3,850	383	383	383	383
3,850	3,900	388	388	388	388
3,900	3,950	393	393	393	393
3,950	4,000	398	398	398	398
<b>4,000</b>					
4,000	4,050	403	403	403	403
4,050	4,100	408	408	408	408
4,100	4,150	413	413	413	413
4,150	4,200	418	418	418	418
4,200	4,250	423	423	423	423
4,250	4,300	428	428	428	428
4,300	4,350	433	433	433	433
4,350	4,400	438	438	438	438
4,400	4,450	443	443	443	443
4,450	4,500	448	448	448	448
4,500	4,550	453	453	453	453
4,550	4,600	458	458	458	458
4,600	4,650	463	463	463	463
4,650	4,700	468	468	468	468
4,700	4,750	473	473	473	473
4,750	4,800	478	478	478	478
4,800	4,850	483	483	483	483
4,850	4,900	488	488	488	488
4,900	4,950	493	493	493	493
4,950	5,000	498	498	498	498

\* This column must also be used by a qualifying widow(er).

(Continued)

2011 Tax Table—Continued

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>5,000</b>					
5,000	5,050	503	503	503	503
5,050	5,100	508	508	508	508
5,100	5,150	513	513	513	513
5,150	5,200	518	518	518	518
5,200	5,250	523	523	523	523
5,250	5,300	528	528	528	528
5,300	5,350	533	533	533	533
5,350	5,400	538	538	538	538
5,400	5,450	543	543	543	543
5,450	5,500	548	548	548	548
5,500	5,550	553	553	553	553
5,550	5,600	558	558	558	558
5,600	5,650	563	563	563	563
5,650	5,700	568	568	568	568
5,700	5,750	573	573	573	573
5,750	5,800	578	578	578	578
5,800	5,850	583	583	583	583
5,850	5,900	588	588	588	588
5,900	5,950	593	593	593	593
5,950	6,000	598	598	598	598
<b>6,000</b>					
6,000	6,050	603	603	603	603
6,050	6,100	608	608	608	608
6,100	6,150	613	613	613	613
6,150	6,200	618	618	618	618
6,200	6,250	623	623	623	623
6,250	6,300	628	628	628	628
6,300	6,350	633	633	633	633
6,350	6,400	638	638	638	638
6,400	6,450	643	643	643	643
6,450	6,500	648	648	648	648
6,500	6,550	653	653	653	653
6,550	6,600	658	658	658	658
6,600	6,650	663	663	663	663
6,650	6,700	668	668	668	668
6,700	6,750	673	673	673	673
6,750	6,800	678	678	678	678
6,800	6,850	683	683	683	683
6,850	6,900	688	688	688	688
6,900	6,950	693	693	693	693
6,950	7,000	698	698	698	698
<b>7,000</b>					
7,000	7,050	703	703	703	703
7,050	7,100	708	708	708	708
7,100	7,150	713	713	713	713
7,150	7,200	718	718	718	718
7,200	7,250	723	723	723	723
7,250	7,300	728	728	728	728
7,300	7,350	733	733	733	733
7,350	7,400	738	738	738	738
7,400	7,450	743	743	743	743
7,450	7,500	748	748	748	748
7,500	7,550	753	753	753	753
7,550	7,600	758	758	758	758
7,600	7,650	763	763	763	763
7,650	7,700	768	768	768	768
7,700	7,750	773	773	773	773
7,750	7,800	778	778	778	778
7,800	7,850	783	783	783	783
7,850	7,900	788	788	788	788
7,900	7,950	793	793	793	793
7,950	8,000	798	798	798	798

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>8,000</b>					
8,000	8,050	803	803	803	803
8,050	8,100	808	808	808	808
8,100	8,150	813	813	813	813
8,150	8,200	818	818	818	818
8,200	8,250	823	823	823	823
8,250	8,300	828	828	828	828
8,300	8,350	833	833	833	833
8,350	8,400	838	838	838	838
8,400	8,450	843	843	843	843
8,450	8,500	848	848	848	848
8,500	8,550	854	853	854	853
8,550	8,600	861	858	861	858
8,600	8,650	869	863	869	863
8,650	8,700	876	868	876	868
8,700	8,750	884	873	884	873
8,750	8,800	891	878	891	878
8,800	8,850	899	883	899	883
8,850	8,900	906	888	906	888
8,900	8,950	914	893	914	893
8,950	9,000	921	898	921	898
<b>9,000</b>					
9,000	9,050	929	903	929	903
9,050	9,100	936	908	936	908
9,100	9,150	944	913	944	913
9,150	9,200	951	918	951	918
9,200	9,250	959	923	959	923
9,250	9,300	966	928	966	928
9,300	9,350	974	933	974	933
9,350	9,400	981	938	981	938
9,400	9,450	989	943	989	943
9,450	9,500	996	948	996	948
9,500	9,550	1,004	953	1,004	953
9,550	9,600	1,011	958	1,011	958
9,600	9,650	1,019	963	1,019	963
9,650	9,700	1,026	968	1,026	968
9,700	9,750	1,034	973	1,034	973
9,750	9,800	1,041	978	1,041	978
9,800	9,850	1,049	983	1,049	983
9,850	9,900	1,056	988	1,056	988
9,900	9,950	1,064	993	1,064	993
9,950	10,000	1,071	998	1,071	998
<b>10,000</b>					
10,000	10,050	1,079	1,003	1,079	1,003
10,050	10,100	1,086	1,008	1,086	1,008
10,100	10,150	1,094	1,013	1,094	1,013
10,150	10,200	1,101	1,018	1,101	1,018
10,200	10,250	1,109	1,023	1,109	1,023
10,250	10,300	1,116	1,028	1,116	1,028
10,300	10,350	1,124	1,033	1,124	1,033
10,350	10,400	1,131	1,038	1,131	1,038
10,400	10,450	1,139	1,043	1,139	1,043
10,450	10,500	1,146	1,048	1,146	1,048
10,500	10,550	1,154	1,053	1,154	1,053
10,550	10,600	1,161	1,058	1,161	1,058
10,600	10,650	1,169	1,063	1,169	1,063
10,650	10,700	1,176	1,068	1,176	1,068
10,700	10,750	1,184	1,073	1,184	1,073
10,750	10,800	1,191	1,078	1,191	1,078
10,800	10,850	1,199	1,083	1,199	1,083
10,850	10,900	1,206	1,088	1,206	1,088
10,900	10,950	1,214	1,093	1,214	1,093
10,950	11,000	1,221	1,098	1,221	1,098

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>11,000</b>					
11,000	11,050	1,229	1,103	1,229	1,103
11,050	11,100	1,236	1,108	1,236	1,108
11,100	11,150	1,244	1,113	1,244	1,113
11,150	11,200	1,251	1,118	1,251	1,118
11,200	11,250	1,259	1,123	1,259	1,123
11,250	11,300	1,266	1,128	1,266	1,128
11,300	11,350	1,274	1,133	1,274	1,133
11,350	11,400	1,281	1,138	1,281	1,138
11,400	11,450	1,289	1,143	1,289	1,143
11,450	11,500	1,296	1,148	1,296	1,148
11,500	11,550	1,304	1,153	1,304	1,153
11,550	11,600	1,311	1,158	1,311	1,158
11,600	11,650	1,319	1,163	1,319	1,163
11,650	11,700	1,326	1,168	1,326	1,168
11,700	11,750	1,334	1,173	1,334	1,173
11,750	11,800	1,341	1,178	1,341	1,178
11,800	11,850	1,349	1,183	1,349	1,183
11,850	11,900	1,356	1,188	1,356	1,188
11,900	11,950	1,364	1,193	1,364	1,193
11,950	12,000	1,371	1,198	1,371	1,198
<b>12,000</b>					
12,000	12,050	1,379	1,203	1,379	1,203
12,050	12,100	1,386	1,208	1,386	1,208
12,100	12,150	1,394	1,213	1,394	1,213
12,150	12,200	1,401	1,218	1,401	1,219
12,200	12,250	1,409	1,223	1,409	1,226
12,250	12,300	1,416	1,228	1,416	1,234
12,300	12,350	1,424	1,233	1,424	1,241
12,350	12,400	1,431	1,238	1,431	1,249
12,400	12,450	1,439	1,243	1,439	1,256
12,450	12,500	1,446	1,248	1,446	1,264
12,500	12,550	1,454	1,253	1,454	1,271
12,550	12,600	1,461	1,258	1,461	1,279
12,600	12,650	1,469	1,263	1,469	1,286
12,650	12,700	1,476	1,268	1,476	1,294
12,700	12,750	1,484	1,273	1,484	1,301
12,750	12,800	1,491	1,278	1,491	1,309
12,800	12,850	1,499	1,283	1,499	1,316
12,850	12,900	1,506	1,288	1,506	1,324
12,900	12,950	1,514	1,293	1,514	1,331
12,950	13,000	1,521	1,298	1,521	1,339
<b>13,000</b>					
13,000	13,050	1,529	1,303	1,529	1,346
13,050	13,100	1,536	1,308	1,536	1,354
13,100	13,150	1,544	1,313	1,544	1,361
13,150	13,200	1,551	1,318	1,551	1,369
13,200	13,250	1,559	1,323	1,559	1,376
13,250	13,300	1,566	1,328	1,566	1,384
13,300	13,350	1,574	1,333	1,574	1,391
13,350	13,400	1,581	1,338	1,581	1,399
13,400	13,450	1,589	1,343	1,589	1,406
13,450	13,500	1,596	1,348	1,596	1,414
13,500	13,550	1,604	1,353	1,604	1,421
13,550	13,600	1,611	1,358	1,611	1,429
13,600	13,650	1,619	1,363	1,619	1,436
13,650	13,700	1,626	1,368	1,626	1,444
13,700	13,750	1,634	1,373	1,634	1,451
13,750	13,800	1,641	1,378	1,641	1,459
13,800	13,850	1,649	1,383	1,649	1,466
13,850	13,900	1,656	1,388	1,656	1,474
13,900	13,950	1,664	1,393	1,664	1,481
13,950	14,000	1,671	1,398	1,671	1,489

\* This column must also be used by a qualifying widow(er).

(Continued)

2011 Tax Table—Continued

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>14,000</b>					
14,000	14,050	1,679	1,403	1,679	1,496
14,050	14,100	1,686	1,408	1,686	1,504
14,100	14,150	1,694	1,413	1,694	1,511
14,150	14,200	1,701	1,418	1,701	1,519
14,200	14,250	1,709	1,423	1,709	1,526
14,250	14,300	1,716	1,428	1,716	1,534
14,300	14,350	1,724	1,433	1,724	1,541
14,350	14,400	1,731	1,438	1,731	1,549
14,400	14,450	1,739	1,443	1,739	1,556
14,450	14,500	1,746	1,448	1,746	1,564
14,500	14,550	1,754	1,453	1,754	1,571
14,550	14,600	1,761	1,458	1,761	1,579
14,600	14,650	1,769	1,463	1,769	1,586
14,650	14,700	1,776	1,468	1,776	1,594
14,700	14,750	1,784	1,473	1,784	1,601
14,750	14,800	1,791	1,478	1,791	1,609
14,800	14,850	1,799	1,483	1,799	1,616
14,850	14,900	1,806	1,488	1,806	1,624
14,900	14,950	1,814	1,493	1,814	1,631
14,950	15,000	1,821	1,498	1,821	1,639
<b>15,000</b>					
15,000	15,050	1,829	1,503	1,829	1,646
15,050	15,100	1,836	1,508	1,836	1,654
15,100	15,150	1,844	1,513	1,844	1,661
15,150	15,200	1,851	1,518	1,851	1,669
15,200	15,250	1,859	1,523	1,859	1,676
15,250	15,300	1,866	1,528	1,866	1,684
15,300	15,350	1,874	1,533	1,874	1,691
15,350	15,400	1,881	1,538	1,881	1,699
15,400	15,450	1,889	1,543	1,889	1,706
15,450	15,500	1,896	1,548	1,896	1,714
15,500	15,550	1,904	1,553	1,904	1,721
15,550	15,600	1,911	1,558	1,911	1,729
15,600	15,650	1,919	1,563	1,919	1,736
15,650	15,700	1,926	1,568	1,926	1,744
15,700	15,750	1,934	1,573	1,934	1,751
15,750	15,800	1,941	1,578	1,941	1,759
15,800	15,850	1,949	1,583	1,949	1,766
15,850	15,900	1,956	1,588	1,956	1,774
15,900	15,950	1,964	1,593	1,964	1,781
15,950	16,000	1,971	1,598	1,971	1,789
<b>16,000</b>					
16,000	16,050	1,979	1,603	1,979	1,796
16,050	16,100	1,986	1,608	1,986	1,804
16,100	16,150	1,994	1,613	1,994	1,811
16,150	16,200	2,001	1,618	2,001	1,819
16,200	16,250	2,009	1,623	2,009	1,826
16,250	16,300	2,016	1,628	2,016	1,834
16,300	16,350	2,024	1,633	2,024	1,841
16,350	16,400	2,031	1,638	2,031	1,849
16,400	16,450	2,039	1,643	2,039	1,856
16,450	16,500	2,046	1,648	2,046	1,864
16,500	16,550	2,054	1,653	2,054	1,871
16,550	16,600	2,061	1,658	2,061	1,879
16,600	16,650	2,069	1,663	2,069	1,886
16,650	16,700	2,076	1,668	2,076	1,894
16,700	16,750	2,084	1,673	2,084	1,901
16,750	16,800	2,091	1,678	2,091	1,909
16,800	16,850	2,099	1,683	2,099	1,916
16,850	16,900	2,106	1,688	2,106	1,924
16,900	16,950	2,114	1,693	2,114	1,931
16,950	17,000	2,121	1,698	2,121	1,939

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>17,000</b>					
17,000	17,050	2,129	1,704	2,129	1,946
17,050	17,100	2,136	1,711	2,136	1,954
17,100	17,150	2,144	1,719	2,144	1,961
17,150	17,200	2,151	1,726	2,151	1,969
17,200	17,250	2,159	1,734	2,159	1,976
17,250	17,300	2,166	1,741	2,166	1,984
17,300	17,350	2,174	1,749	2,174	1,991
17,350	17,400	2,181	1,756	2,181	1,999
17,400	17,450	2,189	1,764	2,189	2,006
17,450	17,500	2,196	1,771	2,196	2,014
17,500	17,550	2,204	1,779	2,204	2,021
17,550	17,600	2,211	1,786	2,211	2,029
17,600	17,650	2,219	1,794	2,219	2,036
17,650	17,700	2,226	1,801	2,226	2,044
17,700	17,750	2,234	1,809	2,234	2,051
17,750	17,800	2,241	1,816	2,241	2,059
17,800	17,850	2,249	1,824	2,249	2,066
17,850	17,900	2,256	1,831	2,256	2,074
17,900	17,950	2,264	1,839	2,264	2,081
17,950	18,000	2,271	1,846	2,271	2,089
<b>18,000</b>					
18,000	18,050	2,279	1,854	2,279	2,096
18,050	18,100	2,286	1,861	2,286	2,104
18,100	18,150	2,294	1,869	2,294	2,111
18,150	18,200	2,301	1,876	2,301	2,119
18,200	18,250	2,309	1,884	2,309	2,126
18,250	18,300	2,316	1,891	2,316	2,134
18,300	18,350	2,324	1,899	2,324	2,141
18,350	18,400	2,331	1,906	2,331	2,149
18,400	18,450	2,339	1,914	2,339	2,156
18,450	18,500	2,346	1,921	2,346	2,164
18,500	18,550	2,354	1,929	2,354	2,171
18,550	18,600	2,361	1,936	2,361	2,179
18,600	18,650	2,369	1,944	2,369	2,186
18,650	18,700	2,376	1,951	2,376	2,194
18,700	18,750	2,384	1,959	2,384	2,201
18,750	18,800	2,391	1,966	2,391	2,209
18,800	18,850	2,399	1,974	2,399	2,216
18,850	18,900	2,406	1,981	2,406	2,224
18,900	18,950	2,414	1,989	2,414	2,231
18,950	19,000	2,421	1,996	2,421	2,239
<b>19,000</b>					
19,000	19,050	2,429	2,004	2,429	2,246
19,050	19,100	2,436	2,011	2,436	2,254
19,100	19,150	2,444	2,019	2,444	2,261
19,150	19,200	2,451	2,026	2,451	2,269
19,200	19,250	2,459	2,034	2,459	2,276
19,250	19,300	2,466	2,041	2,466	2,284
19,300	19,350	2,474	2,049	2,474	2,291
19,350	19,400	2,481	2,056	2,481	2,299
19,400	19,450	2,489	2,064	2,489	2,306
19,450	19,500	2,496	2,071	2,496	2,314
19,500	19,550	2,504	2,079	2,504	2,321
19,550	19,600	2,511	2,086	2,511	2,329
19,600	19,650	2,519	2,094	2,519	2,336
19,650	19,700	2,526	2,101	2,526	2,344
19,700	19,750	2,534	2,109	2,534	2,351
19,750	19,800	2,541	2,116	2,541	2,359
19,800	19,850	2,549	2,124	2,549	2,366
19,850	19,900	2,556	2,131	2,556	2,374
19,900	19,950	2,564	2,139	2,564	2,381
19,950	20,000	2,571	2,146	2,571	2,389

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>20,000</b>					
20,000	20,050	2,579	2,154	2,579	2,396
20,050	20,100	2,586	2,161	2,586	2,404
20,100	20,150	2,594	2,169	2,594	2,411
20,150	20,200	2,601	2,176	2,601	2,419
20,200	20,250	2,609	2,184	2,609	2,426
20,250	20,300	2,616	2,191	2,616	2,434
20,300	20,350	2,624	2,199	2,624	2,441
20,350	20,400	2,631	2,206	2,631	2,449
20,400	20,450	2,639	2,214	2,639	2,456
20,450	20,500	2,646	2,221	2,646	2,464
20,500	20,550	2,654	2,229	2,654	2,471
20,550	20,600	2,661	2,236	2,661	2,479
20,600	20,650	2,669	2,244	2,669	2,486
20,650	20,700	2,676	2,251	2,676	2,494
20,700	20,750	2,684	2,259	2,684	2,501
20,750	20,800	2,691	2,266	2,691	2,509
20,800	20,850	2,699	2,274	2,699	2,516
20,850	20,900	2,706	2,281	2,706	2,524
20,900	20,950	2,714	2,289	2,714	2,531
20,950	21,000	2,721	2,296	2,721	2,539
<b>21,000</b>					
21,000	21,050	2,729	2,304	2,729	2,546
21,050	21,100	2,736	2,311	2,736	2,554
21,100	21,150	2,744	2,319	2,744	2,561
21,150	21,200	2,751	2,326	2,751	2,569
21,200	21,250	2,759	2,334	2,759	2,576
21,250	21,300	2,766	2,341	2,766	2,584
21,300	21,350	2,774	2,349	2,774	2,591
21,350	21,400	2,781	2,356	2,781	2,599
21,400	21,450	2,789	2,364	2,789	2,606
21,450	21,500	2,796	2,371	2,796	2,614
21,500	21,550	2,804	2,379	2,804	2,621
21,550	21,600	2,811	2,386	2,811	2,629
21,600	21,650	2,819	2,394	2,819	2,636
21,650	21,700	2,826	2,401	2,826	2,644
21,700	21,750	2,834	2,409	2,834	2,651
21,750	21,800	2,841	2,416	2,841	2,659
21,800	21,850	2,849	2,424	2,849	2,666
21,850	21,900	2,856	2,431	2,856	2,674
21,900	21,950	2,864	2,439	2,864	2,681
21,950	22,000	2,871	2,446	2,871	2,689
<b>22,000</b>					
22,000	22,050	2,879	2,454	2,879	2,696
22,050	22,100	2,886	2,461	2,886	2,704
22,100	22,150	2,894	2,469	2,894	2,711
22,150	22,200	2,901	2,476	2,901	2,719
22,200	22,250	2,909	2,484	2,909	2,726
22,250	22,300	2,916	2,491	2,916	2,734
22,300	22,350	2,924	2,499	2,924	2,741
22,350	22,400	2,931	2,506	2,931	2,749
22,400	22,450	2,939	2,514	2,939	2,756
22,450	22,500	2,946	2,521	2,946	2,764
22,500	22,550	2,954	2,529	2,954	2,771
22,550	22,600	2,961	2,536	2,961	2,779
22,600	22,650	2,969	2,		

2011 Tax Table—Continued

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>23,000</b>					
23,000	23,050	3,029	2,604	3,029	2,846
23,050	23,100	3,036	2,611	3,036	2,854
23,100	23,150	3,044	2,619	3,044	2,861
23,150	23,200	3,051	2,626	3,051	2,869
23,200	23,250	3,059	2,634	3,059	2,876
23,250	23,300	3,066	2,641	3,066	2,884
23,300	23,350	3,074	2,649	3,074	2,891
23,350	23,400	3,081	2,656	3,081	2,899
23,400	23,450	3,089	2,664	3,089	2,906
23,450	23,500	3,096	2,671	3,096	2,914
23,500	23,550	3,104	2,679	3,104	2,921
23,550	23,600	3,111	2,686	3,111	2,929
23,600	23,650	3,119	2,694	3,119	2,936
23,650	23,700	3,126	2,701	3,126	2,944
23,700	23,750	3,134	2,709	3,134	2,951
23,750	23,800	3,141	2,716	3,141	2,959
23,800	23,850	3,149	2,724	3,149	2,966
23,850	23,900	3,156	2,731	3,156	2,974
23,900	23,950	3,164	2,739	3,164	2,981
23,950	24,000	3,171	2,746	3,171	2,989
<b>24,000</b>					
24,000	24,050	3,179	2,754	3,179	2,996
24,050	24,100	3,186	2,761	3,186	3,004
24,100	24,150	3,194	2,769	3,194	3,011
24,150	24,200	3,201	2,776	3,201	3,019
24,200	24,250	3,209	2,784	3,209	3,026
24,250	24,300	3,216	2,791	3,216	3,034
24,300	24,350	3,224	2,799	3,224	3,041
24,350	24,400	3,231	2,806	3,231	3,049
24,400	24,450	3,239	2,814	3,239	3,056
24,450	24,500	3,246	2,821	3,246	3,064
24,500	24,550	3,254	2,829	3,254	3,071
24,550	24,600	3,261	2,836	3,261	3,079
24,600	24,650	3,269	2,844	3,269	3,086
24,650	24,700	3,276	2,851	3,276	3,094
24,700	24,750	3,284	2,859	3,284	3,101
24,750	24,800	3,291	2,866	3,291	3,109
24,800	24,850	3,299	2,874	3,299	3,116
24,850	24,900	3,306	2,881	3,306	3,124
24,900	24,950	3,314	2,889	3,314	3,131
24,950	25,000	3,321	2,896	3,321	3,139
<b>25,000</b>					
25,000	25,050	3,329	2,904	3,329	3,146
25,050	25,100	3,336	2,911	3,336	3,154
25,100	25,150	3,344	2,919	3,344	3,161
25,150	25,200	3,351	2,926	3,351	3,169
25,200	25,250	3,359	2,934	3,359	3,176
25,250	25,300	3,366	2,941	3,366	3,184
25,300	25,350	3,374	2,949	3,374	3,191
25,350	25,400	3,381	2,956	3,381	3,199
25,400	25,450	3,389	2,964	3,389	3,206
25,450	25,500	3,396	2,971	3,396	3,214
25,500	25,550	3,404	2,979	3,404	3,221
25,550	25,600	3,411	2,986	3,411	3,229
25,600	25,650	3,419	2,994	3,419	3,236
25,650	25,700	3,426	3,001	3,426	3,244
25,700	25,750	3,434	3,009	3,434	3,251
25,750	25,800	3,441	3,016	3,441	3,259
25,800	25,850	3,449	3,024	3,449	3,266
25,850	25,900	3,456	3,031	3,456	3,274
25,900	25,950	3,464	3,039	3,464	3,281
25,950	26,000	3,471	3,046	3,471	3,289

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>26,000</b>					
26,000	26,050	3,479	3,054	3,479	3,296
26,050	26,100	3,486	3,061	3,486	3,304
26,100	26,150	3,494	3,069	3,494	3,311
26,150	26,200	3,501	3,076	3,501	3,319
26,200	26,250	3,509	3,084	3,509	3,326
26,250	26,300	3,516	3,091	3,516	3,334
26,300	26,350	3,524	3,099	3,524	3,341
26,350	26,400	3,531	3,106	3,531	3,349
26,400	26,450	3,539	3,114	3,539	3,356
26,450	26,500	3,546	3,121	3,546	3,364
26,500	26,550	3,554	3,129	3,554	3,371
26,550	26,600	3,561	3,136	3,561	3,379
26,600	26,650	3,569	3,144	3,569	3,386
26,650	26,700	3,576	3,151	3,576	3,394
26,700	26,750	3,584	3,159	3,584	3,401
26,750	26,800	3,591	3,166	3,591	3,409
26,800	26,850	3,599	3,174	3,599	3,416
26,850	26,900	3,606	3,181	3,606	3,424
26,900	26,950	3,614	3,189	3,614	3,431
26,950	27,000	3,621	3,196	3,621	3,439
<b>27,000</b>					
27,000	27,050	3,629	3,204	3,629	3,446
27,050	27,100	3,636	3,211	3,636	3,454
27,100	27,150	3,644	3,219	3,644	3,461
27,150	27,200	3,651	3,226	3,651	3,469
27,200	27,250	3,659	3,234	3,659	3,476
27,250	27,300	3,666	3,241	3,666	3,484
27,300	27,350	3,674	3,249	3,674	3,491
27,350	27,400	3,681	3,256	3,681	3,499
27,400	27,450	3,689	3,264	3,689	3,506
27,450	27,500	3,696	3,271	3,696	3,514
27,500	27,550	3,704	3,279	3,704	3,521
27,550	27,600	3,711	3,286	3,711	3,529
27,600	27,650	3,719	3,294	3,719	3,536
27,650	27,700	3,726	3,301	3,726	3,544
27,700	27,750	3,734	3,309	3,734	3,551
27,750	27,800	3,741	3,316	3,741	3,559
27,800	27,850	3,749	3,324	3,749	3,566
27,850	27,900	3,756	3,331	3,756	3,574
27,900	27,950	3,764	3,339	3,764	3,581
27,950	28,000	3,771	3,346	3,771	3,589
<b>28,000</b>					
28,000	28,050	3,779	3,354	3,779	3,596
28,050	28,100	3,786	3,361	3,786	3,604
28,100	28,150	3,794	3,369	3,794	3,611
28,150	28,200	3,801	3,376	3,801	3,619
28,200	28,250	3,809	3,384	3,809	3,626
28,250	28,300	3,816	3,391	3,816	3,634
28,300	28,350	3,824	3,399	3,824	3,641
28,350	28,400	3,831	3,406	3,831	3,649
28,400	28,450	3,839	3,414	3,839	3,656
28,450	28,500	3,846	3,421	3,846	3,664
28,500	28,550	3,854	3,429	3,854	3,671
28,550	28,600	3,861	3,436	3,861	3,679
28,600	28,650	3,869	3,444	3,869	3,686
28,650	28,700	3,876	3,451	3,876	3,694
28,700	28,750	3,884	3,459	3,884	3,701
28,750	28,800	3,891	3,466	3,891	3,709
28,800	28,850	3,899	3,474	3,899	3,716
28,850	28,900	3,906	3,481	3,906	3,724
28,900	28,950	3,914	3,489	3,914	3,731
28,950	29,000	3,921	3,496	3,921	3,739

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>29,000</b>					
29,000	29,050	3,929	3,504	3,929	3,746
29,050	29,100	3,936	3,511	3,936	3,754
29,100	29,150	3,944	3,519	3,944	3,761
29,150	29,200	3,951	3,526	3,951	3,769
29,200	29,250	3,959	3,534	3,959	3,776
29,250	29,300	3,966	3,541	3,966	3,784
29,300	29,350	3,974	3,549	3,974	3,791
29,350	29,400	3,981	3,556	3,981	3,799
29,400	29,450	3,989	3,564	3,989	3,806
29,450	29,500	3,996	3,571	3,996	3,814
29,500	29,550	4,004	3,579	4,004	3,821
29,550	29,600	4,011	3,586	4,011	3,829
29,600	29,650	4,019	3,594	4,019	3,836
29,650	29,700	4,026	3,601	4,026	3,844
29,700	29,750	4,034	3,609	4,034	3,851
29,750	29,800	4,041	3,616	4,041	3,859
29,800	29,850	4,049	3,624	4,049	3,866
29,850	29,900	4,056	3,631	4,056	3,874
29,900	29,950	4,064	3,639	4,064	3,881
29,950	30,000	4,071	3,646	4,071	3,889
<b>30,000</b>					
30,000	30,050	4,079	3,654	4,079	3,896
30,050	30,100	4,086	3,661	4,086	3,904
30,100	30,150	4,094	3,669	4,094	3,911
30,150	30,200	4,101	3,676	4,101	3,919
30,200	30,250	4,109	3,684	4,109	3,926
30,250	30,300	4,116	3,691	4,116	3,934
30,300	30,350	4,124	3,699	4,124	3,941
30,350	30,400	4,131	3,706	4,131	3,949
30,400	30,450	4,139	3,714	4,139	3,956
30,450	30,500	4,146	3,721	4,146	3,964
30,500	30,550	4,154	3,729	4,154	3,971
30,550	30,600	4,161	3,736	4,161	3,979
30,600	30,650	4,169	3,744	4,169	3,986
30,650	30,700	4,176	3,751	4,176	3,994
30,700	30,750	4,184	3,759	4,184	4,001
30,750	30,800	4,191	3,766	4,191	4,009
30,800	30,850	4,199	3,774	4,199	4,016
30,850	30,900	4,206	3,781	4,206	4,024
30,900	30,950	4,214	3,789	4,214	4,031
30,950	31,000	4,221	3,796	4,221	4,039
<b>31,000</b>					
31,000	31,050	4,229	3,804	4,229	4,046
31,050	31,100	4,236	3,811	4,236	4,054
31,100	31,150	4,244	3,819	4,244	4,061
31,150	31,200	4,251	3,826	4,251	4,069
31,200	31,250	4,259	3,834	4,259	4,076
31,250	31,300	4,266	3,841	4,266	4,084
31,300	31,350	4,274	3,849	4,274	4,091
31,350	31,400	4,281	3,856	4,281	4,099
31,400	31,450	4,289	3,864	4,289	4,106
31,450	31,500	4,296	3,871	4,296	4,114
31,500	31,550	4,304	3,879	4,304	4,121
31,550	31,600	4,311	3,886	4,311	4,129
31,600	31,650	4,319	3		

2011 Tax Table—Continued

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>32,000</b>					
32,000	32,050	4,379	3,954	4,379	4,196
32,050	32,100	4,386	3,961	4,386	4,204
32,100	32,150	4,394	3,969	4,394	4,211
32,150	32,200	4,401	3,976	4,401	4,219
32,200	32,250	4,409	3,984	4,409	4,226
32,250	32,300	4,416	3,991	4,416	4,234
32,300	32,350	4,424	3,999	4,424	4,241
32,350	32,400	4,431	4,006	4,431	4,249
32,400	32,450	4,439	4,014	4,439	4,256
32,450	32,500	4,446	4,021	4,446	4,264
32,500	32,550	4,454	4,029	4,454	4,271
32,550	32,600	4,461	4,036	4,461	4,279
32,600	32,650	4,469	4,044	4,469	4,286
32,650	32,700	4,476	4,051	4,476	4,294
32,700	32,750	4,484	4,059	4,484	4,301
32,750	32,800	4,491	4,066	4,491	4,309
32,800	32,850	4,499	4,074	4,499	4,316
32,850	32,900	4,506	4,081	4,506	4,324
32,900	32,950	4,514	4,089	4,514	4,331
32,950	33,000	4,521	4,096	4,521	4,339
<b>33,000</b>					
33,000	33,050	4,529	4,104	4,529	4,346
33,050	33,100	4,536	4,111	4,536	4,354
33,100	33,150	4,544	4,119	4,544	4,361
33,150	33,200	4,551	4,126	4,551	4,369
33,200	33,250	4,559	4,134	4,559	4,376
33,250	33,300	4,566	4,141	4,566	4,384
33,300	33,350	4,574	4,149	4,574	4,391
33,350	33,400	4,581	4,156	4,581	4,399
33,400	33,450	4,589	4,164	4,589	4,406
33,450	33,500	4,596	4,171	4,596	4,414
33,500	33,550	4,604	4,179	4,604	4,421
33,550	33,600	4,611	4,186	4,611	4,429
33,600	33,650	4,619	4,194	4,619	4,436
33,650	33,700	4,626	4,201	4,626	4,444
33,700	33,750	4,634	4,209	4,634	4,451
33,750	33,800	4,641	4,216	4,641	4,459
33,800	33,850	4,649	4,224	4,649	4,466
33,850	33,900	4,656	4,231	4,656	4,474
33,900	33,950	4,664	4,239	4,664	4,481
33,950	34,000	4,671	4,246	4,671	4,489
<b>34,000</b>					
34,000	34,050	4,679	4,254	4,679	4,496
34,050	34,100	4,686	4,261	4,686	4,504
34,100	34,150	4,694	4,269	4,694	4,511
34,150	34,200	4,701	4,276	4,701	4,519
34,200	34,250	4,709	4,284	4,709	4,526
34,250	34,300	4,716	4,291	4,716	4,534
34,300	34,350	4,724	4,299	4,724	4,541
34,350	34,400	4,731	4,306	4,731	4,549
34,400	34,450	4,739	4,314	4,739	4,556
34,450	34,500	4,746	4,321	4,746	4,564
34,500	34,550	4,756	4,329	4,756	4,571
34,550	34,600	4,769	4,336	4,769	4,579
34,600	34,650	4,781	4,344	4,781	4,586
34,650	34,700	4,794	4,351	4,794	4,594
34,700	34,750	4,806	4,359	4,806	4,601
34,750	34,800	4,819	4,366	4,819	4,609
34,800	34,850	4,831	4,374	4,831	4,616
34,850	34,900	4,844	4,381	4,844	4,624
34,900	34,950	4,856	4,389	4,856	4,631
34,950	35,000	4,869	4,396	4,869	4,639

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>35,000</b>					
35,000	35,050	4,881	4,404	4,881	4,646
35,050	35,100	4,894	4,411	4,894	4,654
35,100	35,150	4,906	4,419	4,906	4,661
35,150	35,200	4,919	4,426	4,919	4,669
35,200	35,250	4,931	4,434	4,931	4,676
35,250	35,300	4,944	4,441	4,944	4,684
35,300	35,350	4,956	4,449	4,956	4,691
35,350	35,400	4,969	4,456	4,969	4,699
35,400	35,450	4,981	4,464	4,981	4,706
35,450	35,500	4,994	4,471	4,994	4,714
35,500	35,550	5,006	4,479	5,006	4,721
35,550	35,600	5,019	4,486	5,019	4,729
35,600	35,650	5,031	4,494	5,031	4,736
35,650	35,700	5,044	4,501	5,044	4,744
35,700	35,750	5,056	4,509	5,056	4,751
35,750	35,800	5,069	4,516	5,069	4,759
35,800	35,850	5,081	4,524	5,081	4,766
35,850	35,900	5,094	4,531	5,094	4,774
35,900	35,950	5,106	4,539	5,106	4,781
35,950	36,000	5,119	4,546	5,119	4,789
<b>36,000</b>					
36,000	36,050	5,131	4,554	5,131	4,796
36,050	36,100	5,144	4,561	5,144	4,804
36,100	36,150	5,156	4,569	5,156	4,811
36,150	36,200	5,169	4,576	5,169	4,819
36,200	36,250	5,181	4,584	5,181	4,826
36,250	36,300	5,194	4,591	5,194	4,834
36,300	36,350	5,206	4,599	5,206	4,841
36,350	36,400	5,219	4,606	5,219	4,849
36,400	36,450	5,231	4,614	5,231	4,856
36,450	36,500	5,244	4,621	5,244	4,864
36,500	36,550	5,256	4,629	5,256	4,871
36,550	36,600	5,269	4,636	5,269	4,879
36,600	36,650	5,281	4,644	5,281	4,886
36,650	36,700	5,294	4,651	5,294	4,894
36,700	36,750	5,306	4,659	5,306	4,901
36,750	36,800	5,319	4,666	5,319	4,909
36,800	36,850	5,331	4,674	5,331	4,916
36,850	36,900	5,344	4,681	5,344	4,924
36,900	36,950	5,356	4,689	5,356	4,931
36,950	37,000	5,369	4,696	5,369	4,939
<b>37,000</b>					
37,000	37,050	5,381	4,704	5,381	4,946
37,050	37,100	5,394	4,711	5,394	4,954
37,100	37,150	5,406	4,719	5,406	4,961
37,150	37,200	5,419	4,726	5,419	4,969
37,200	37,250	5,431	4,734	5,431	4,976
37,250	37,300	5,444	4,741	5,444	4,984
37,300	37,350	5,456	4,749	5,456	4,991
37,350	37,400	5,469	4,756	5,469	4,999
37,400	37,450	5,481	4,764	5,481	5,006
37,450	37,500	5,494	4,771	5,494	5,014
37,500	37,550	5,506	4,779	5,506	5,021
37,550	37,600	5,519	4,786	5,519	5,029
37,600	37,650	5,531	4,794	5,531	5,036
37,650	37,700	5,544	4,801	5,544	5,044
37,700	37,750	5,556	4,809	5,556	5,051
37,750	37,800	5,569	4,816	5,569	5,059
37,800	37,850	5,581	4,824	5,581	5,066
37,850	37,900	5,594	4,831	5,594	5,074
37,900	37,950	5,606	4,839	5,606	5,081
37,950	38,000	5,619	4,846	5,619	5,089

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>38,000</b>					
38,000	38,050	5,631	4,854	5,631	5,096
38,050	38,100	5,644	4,861	5,644	5,104
38,100	38,150	5,656	4,869	5,656	5,111
38,150	38,200	5,669	4,876	5,669	5,119
38,200	38,250	5,681	4,884	5,681	5,126
38,250	38,300	5,694	4,891	5,694	5,134
38,300	38,350	5,706	4,899	5,706	5,141
38,350	38,400	5,719	4,906	5,719	5,149
38,400	38,450	5,731	4,914	5,731	5,156
38,450	38,500	5,744	4,921	5,744	5,164
38,500	38,550	5,756	4,929	5,756	5,171
38,550	38,600	5,769	4,936	5,769	5,179
38,600	38,650	5,781	4,944	5,781	5,186
38,650	38,700	5,794	4,951	5,794	5,194
38,700	38,750	5,806	4,959	5,806	5,201
38,750	38,800	5,819	4,966	5,819	5,209
38,800	38,850	5,831	4,974	5,831	5,216
38,850	38,900	5,844	4,981	5,844	5,224
38,900	38,950	5,856	4,989	5,856	5,231
38,950	39,000	5,869	4,996	5,869	5,239
<b>39,000</b>					
39,000	39,050	5,881	5,004	5,881	5,246
39,050	39,100	5,894	5,011	5,894	5,254
39,100	39,150	5,906	5,019	5,906	5,261
39,150	39,200	5,919	5,026	5,919	5,269
39,200	39,250	5,931	5,034	5,931	5,276
39,250	39,300	5,944	5,041	5,944	5,284
39,300	39,350	5,956	5,049	5,956	5,291
39,350	39,400	5,969	5,056	5,969	5,299
39,400	39,450	5,981	5,064	5,981	5,306
39,450	39,500	5,994	5,071	5,994	5,314
39,500	39,550	6,006	5,079	6,006	5,321
39,550	39,600	6,019	5,086	6,019	5,329
39,600	39,650	6,031	5,094	6,031	5,336
39,650	39,700	6,044	5,101	6,044	5,344
39,700	39,750	6,056	5,109	6,056	5,351
39,750	39,800	6,069	5,116	6,069	5,359
39,800	39,850	6,081	5,124	6,081	5,366
39,850	39,900	6,094	5,131	6,094	5,374
39,900	39,950	6,106	5,139	6,106	5,381
39,950	40,000	6,119	5,146	6,119	5,389
<b>40,000</b>					
40,000	40,050	6,131	5,154	6,131	5,396
40,050	40,100	6,144	5,161	6,144	5,404
40,100	40,150	6,156	5,169	6,156	5,411
40,150	40,200	6,169	5,176	6,169	5,419
40,200	40,250	6,181	5,184	6,181	5,426
40,250	40,300	6,194	5,191	6,194	5,434
40,300	40,350	6,206	5,199	6,206	5,441
40,350	40,400	6,219	5,206	6,219	5,449
40,400	40,450	6,231	5,214	6,231	5,456
40,450	40,500	6,244	5,221	6,244	5,464
40,500	40,550	6,256	5,229	6,256	5,471
40,550	40,600	6,269	5,236	6,269	5,479
40,600	40,650	6,281	5,		

2011 Tax Table—Continued

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>41,000</b>					
41,000	41,050	6,381	5,304	6,381	5,546
41,050	41,100	6,394	5,311	6,394	5,554
41,100	41,150	6,406	5,319	6,406	5,561
41,150	41,200	6,419	5,326	6,419	5,569
41,200	41,250	6,431	5,334	6,431	5,576
41,250	41,300	6,444	5,341	6,444	5,584
41,300	41,350	6,456	5,349	6,456	5,591
41,350	41,400	6,469	5,356	6,469	5,599
41,400	41,450	6,481	5,364	6,481	5,606
41,450	41,500	6,494	5,371	6,494	5,614
41,500	41,550	6,506	5,379	6,506	5,621
41,550	41,600	6,519	5,386	6,519	5,629
41,600	41,650	6,531	5,394	6,531	5,636
41,650	41,700	6,544	5,401	6,544	5,644
41,700	41,750	6,556	5,409	6,556	5,651
41,750	41,800	6,569	5,416	6,569	5,659
41,800	41,850	6,581	5,424	6,581	5,666
41,850	41,900	6,594	5,431	6,594	5,674
41,900	41,950	6,606	5,439	6,606	5,681
41,950	42,000	6,619	5,446	6,619	5,689
<b>42,000</b>					
42,000	42,050	6,631	5,454	6,631	5,696
42,050	42,100	6,644	5,461	6,644	5,704
42,100	42,150	6,656	5,469	6,656	5,711
42,150	42,200	6,669	5,476	6,669	5,719
42,200	42,250	6,681	5,484	6,681	5,726
42,250	42,300	6,694	5,491	6,694	5,734
42,300	42,350	6,706	5,499	6,706	5,741
42,350	42,400	6,719	5,506	6,719	5,749
42,400	42,450	6,731	5,514	6,731	5,756
42,450	42,500	6,744	5,521	6,744	5,764
42,500	42,550	6,756	5,529	6,756	5,771
42,550	42,600	6,769	5,536	6,769	5,779
42,600	42,650	6,781	5,544	6,781	5,786
42,650	42,700	6,794	5,551	6,794	5,794
42,700	42,750	6,806	5,559	6,806	5,801
42,750	42,800	6,819	5,566	6,819	5,809
42,800	42,850	6,831	5,574	6,831	5,816
42,850	42,900	6,844	5,581	6,844	5,824
42,900	42,950	6,856	5,589	6,856	5,831
42,950	43,000	6,869	5,596	6,869	5,839
<b>43,000</b>					
43,000	43,050	6,881	5,604	6,881	5,846
43,050	43,100	6,894	5,611	6,894	5,854
43,100	43,150	6,906	5,619	6,906	5,861
43,150	43,200	6,919	5,626	6,919	5,869
43,200	43,250	6,931	5,634	6,931	5,876
43,250	43,300	6,944	5,641	6,944	5,884
43,300	43,350	6,956	5,649	6,956	5,891
43,350	43,400	6,969	5,656	6,969	5,899
43,400	43,450	6,981	5,664	6,981	5,906
43,450	43,500	6,994	5,671	6,994	5,914
43,500	43,550	7,006	5,679	7,006	5,921
43,550	43,600	7,019	5,686	7,019	5,929
43,600	43,650	7,031	5,694	7,031	5,936
43,650	43,700	7,044	5,701	7,044	5,944
43,700	43,750	7,056	5,709	7,056	5,951
43,750	43,800	7,069	5,716	7,069	5,959
43,800	43,850	7,081	5,724	7,081	5,966
43,850	43,900	7,094	5,731	7,094	5,974
43,900	43,950	7,106	5,739	7,106	5,981
43,950	44,000	7,119	5,746	7,119	5,989

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>44,000</b>					
44,000	44,050	7,131	5,754	7,131	5,996
44,050	44,100	7,144	5,761	7,144	6,004
44,100	44,150	7,156	5,769	7,156	6,011
44,150	44,200	7,169	5,776	7,169	6,019
44,200	44,250	7,181	5,784	7,181	6,026
44,250	44,300	7,194	5,791	7,194	6,034
44,300	44,350	7,206	5,799	7,206	6,041
44,350	44,400	7,219	5,806	7,219	6,049
44,400	44,450	7,231	5,814	7,231	6,056
44,450	44,500	7,244	5,821	7,244	6,064
44,500	44,550	7,256	5,829	7,256	6,071
44,550	44,600	7,269	5,836	7,269	6,079
44,600	44,650	7,281	5,844	7,281	6,086
44,650	44,700	7,294	5,851	7,294	6,094
44,700	44,750	7,306	5,859	7,306	6,101
44,750	44,800	7,319	5,866	7,319	6,109
44,800	44,850	7,331	5,874	7,331	6,116
44,850	44,900	7,344	5,881	7,344	6,124
44,900	44,950	7,356	5,889	7,356	6,131
44,950	45,000	7,369	5,896	7,369	6,139
<b>45,000</b>					
45,000	45,050	7,381	5,904	7,381	6,146
45,050	45,100	7,394	5,911	7,394	6,154
45,100	45,150	7,406	5,919	7,406	6,161
45,150	45,200	7,419	5,926	7,419	6,169
45,200	45,250	7,431	5,934	7,431	6,176
45,250	45,300	7,444	5,941	7,444	6,184
45,300	45,350	7,456	5,949	7,456	6,191
45,350	45,400	7,469	5,956	7,469	6,199
45,400	45,450	7,481	5,964	7,481	6,206
45,450	45,500	7,494	5,971	7,494	6,214
45,500	45,550	7,506	5,979	7,506	6,221
45,550	45,600	7,519	5,986	7,519	6,229
45,600	45,650	7,531	5,994	7,531	6,236
45,650	45,700	7,544	6,001	7,544	6,244
45,700	45,750	7,556	6,009	7,556	6,251
45,750	45,800	7,569	6,016	7,569	6,259
45,800	45,850	7,581	6,024	7,581	6,266
45,850	45,900	7,594	6,031	7,594	6,274
45,900	45,950	7,606	6,039	7,606	6,281
45,950	46,000	7,619	6,046	7,619	6,289
<b>46,000</b>					
46,000	46,050	7,631	6,054	7,631	6,296
46,050	46,100	7,644	6,061	7,644	6,304
46,100	46,150	7,656	6,069	7,656	6,311
46,150	46,200	7,669	6,076	7,669	6,319
46,200	46,250	7,681	6,084	7,681	6,326
46,250	46,300	7,694	6,091	7,694	6,334
46,300	46,350	7,706	6,099	7,706	6,341
46,350	46,400	7,719	6,106	7,719	6,361
46,400	46,450	7,731	6,114	7,731	6,374
46,450	46,500	7,744	6,121	7,744	6,386
46,500	46,550	7,756	6,129	7,756	6,399
46,550	46,600	7,769	6,136	7,769	6,411
46,600	46,650	7,781	6,144	7,781	6,424
46,650	46,700	7,794	6,151	7,794	6,436
46,700	46,750	7,806	6,159	7,806	6,449
46,750	46,800	7,819	6,166	7,819	6,461
46,800	46,850	7,831	6,174	7,831	6,474
46,850	46,900	7,844	6,181	7,844	6,486
46,900	46,950	7,856	6,189	7,856	6,499
46,950	47,000	7,869	6,196	7,869	6,511

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>47,000</b>					
47,000	47,050	7,881	6,204	7,881	6,524
47,050	47,100	7,894	6,211	7,894	6,536
47,100	47,150	7,906	6,219	7,906	6,549
47,150	47,200	7,919	6,226	7,919	6,561
47,200	47,250	7,931	6,234	7,931	6,574
47,250	47,300	7,944	6,241	7,944	6,586
47,300	47,350	7,956	6,249	7,956	6,599
47,350	47,400	7,969	6,256	7,969	6,611
47,400	47,450	7,981	6,264	7,981	6,624
47,450	47,500	7,994	6,271	7,994	6,636
47,500	47,550	8,006	6,279	8,006	6,649
47,550	47,600	8,019	6,286	8,019	6,661
47,600	47,650	8,031	6,294	8,031	6,674
47,650	47,700	8,044	6,301	8,044	6,686
47,700	47,750	8,056	6,309	8,056	6,699
47,750	47,800	8,069	6,316	8,069	6,711
47,800	47,850	8,081	6,324	8,081	6,724
47,850	47,900	8,094	6,331	8,094	6,736
47,900	47,950	8,106	6,339	8,106	6,749
47,950	48,000	8,119	6,346	8,119	6,761
<b>48,000</b>					
48,000	48,050	8,131	6,354	8,131	6,774
48,050	48,100	8,144	6,361	8,144	6,786
48,100	48,150	8,156	6,369	8,156	6,799
48,150	48,200	8,169	6,376	8,169	6,811
48,200	48,250	8,181	6,384	8,181	6,824
48,250	48,300	8,194	6,391	8,194	6,836
48,300	48,350	8,206	6,399	8,206	6,849
48,350	48,400	8,219	6,406	8,219	6,861
48,400	48,450	8,231	6,414	8,231	6,874
48,450	48,500	8,244	6,421	8,244	6,886
48,500	48,550	8,256	6,429	8,256	6,899
48,550	48,600	8,269	6,436	8,269	6,911
48,600	48,650	8,281	6,444	8,281	6,924
48,650	48,700	8,294	6,451	8,294	6,936
48,700	48,750	8,306	6,459	8,306	6,949
48,750	48,800	8,319	6,466	8,319	6,961
48,800	48,850	8,331	6,474	8,331	6,974
48,850	48,900	8,344	6,481	8,344	6,986
48,900	48,950	8,356	6,489	8,356	6,999
48,950	49,000	8,369	6,496	8,369	7,011
<b>49,000</b>					
49,000	49,050	8,381	6,504	8,381	7,024
49,050	49,100	8,394	6,511	8,394	7,036
49,100	49,150	8,406	6,519	8,406	7,049
49,150	49,200	8,419	6,526	8,419	7,061
49,200	49,250	8,431	6,534	8,431	7,074
49,250	49,300	8,444	6,541	8,444	7,086
49,300	49,350	8,456	6,549	8,456	7,099
49,350	49,400	8,469	6,556	8,469	7,111
49,400	49,450	8,481	6,564	8,481	7,124
49,450	49,500	8,494	6,571	8,494	7,136
49,500	49,550	8,506	6,579	8,506	7,149
49,550	49,600	8,519	6,586	8,519	7,161
49,600	49,650	8,531	6		

2011 Tax Table—Continued

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>50,000</b>					
50,000	50,050	8,631	6,654	8,631	7,274
50,050	50,100	8,644	6,661	8,644	7,286
50,100	50,150	8,656	6,669	8,656	7,299
50,150	50,200	8,669	6,676	8,669	7,311
50,200	50,250	8,681	6,684	8,681	7,324
50,250	50,300	8,694	6,691	8,694	7,336
50,300	50,350	8,706	6,699	8,706	7,349
50,350	50,400	8,719	6,706	8,719	7,361
50,400	50,450	8,731	6,714	8,731	7,374
50,450	50,500	8,744	6,721	8,744	7,386
50,500	50,550	8,756	6,729	8,756	7,399
50,550	50,600	8,769	6,736	8,769	7,411
50,600	50,650	8,781	6,744	8,781	7,424
50,650	50,700	8,794	6,751	8,794	7,436
50,700	50,750	8,806	6,759	8,806	7,449
50,750	50,800	8,819	6,766	8,819	7,461
50,800	50,850	8,831	6,774	8,831	7,474
50,850	50,900	8,844	6,781	8,844	7,486
50,900	50,950	8,856	6,789	8,856	7,499
50,950	51,000	8,869	6,796	8,869	7,511
<b>51,000</b>					
51,000	51,050	8,881	6,804	8,881	7,524
51,050	51,100	8,894	6,811	8,894	7,536
51,100	51,150	8,906	6,819	8,906	7,549
51,150	51,200	8,919	6,826	8,919	7,561
51,200	51,250	8,931	6,834	8,931	7,574
51,250	51,300	8,944	6,841	8,944	7,586
51,300	51,350	8,956	6,849	8,956	7,599
51,350	51,400	8,969	6,856	8,969	7,611
51,400	51,450	8,981	6,864	8,981	7,624
51,450	51,500	8,994	6,871	8,994	7,636
51,500	51,550	9,006	6,879	9,006	7,649
51,550	51,600	9,019	6,886	9,019	7,661
51,600	51,650	9,031	6,894	9,031	7,674
51,650	51,700	9,044	6,901	9,044	7,686
51,700	51,750	9,056	6,909	9,056	7,699
51,750	51,800	9,069	6,916	9,069	7,711
51,800	51,850	9,081	6,924	9,081	7,724
51,850	51,900	9,094	6,931	9,094	7,736
51,900	51,950	9,106	6,939	9,106	7,749
51,950	52,000	9,119	6,946	9,119	7,761
<b>52,000</b>					
52,000	52,050	9,131	6,954	9,131	7,774
52,050	52,100	9,144	6,961	9,144	7,786
52,100	52,150	9,156	6,969	9,156	7,799
52,150	52,200	9,169	6,976	9,169	7,811
52,200	52,250	9,181	6,984	9,181	7,824
52,250	52,300	9,194	6,991	9,194	7,836
52,300	52,350	9,206	6,999	9,206	7,849
52,350	52,400	9,219	7,006	9,219	7,861
52,400	52,450	9,231	7,014	9,231	7,874
52,450	52,500	9,244	7,021	9,244	7,886
52,500	52,550	9,256	7,029	9,256	7,899
52,550	52,600	9,269	7,036	9,269	7,911
52,600	52,650	9,281	7,044	9,281	7,924
52,650	52,700	9,294	7,051	9,294	7,936
52,700	52,750	9,306	7,059	9,306	7,949
52,750	52,800	9,319	7,066	9,319	7,961
52,800	52,850	9,331	7,074	9,331	7,974
52,850	52,900	9,344	7,081	9,344	7,986
52,900	52,950	9,356	7,089	9,356	7,999
52,950	53,000	9,369	7,096	9,369	8,011

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>53,000</b>					
53,000	53,050	9,381	7,104	9,381	8,024
53,050	53,100	9,394	7,111	9,394	8,036
53,100	53,150	9,406	7,119	9,406	8,049
53,150	53,200	9,419	7,126	9,419	8,061
53,200	53,250	9,431	7,134	9,431	8,074
53,250	53,300	9,444	7,141	9,444	8,086
53,300	53,350	9,456	7,149	9,456	8,099
53,350	53,400	9,469	7,156	9,469	8,111
53,400	53,450	9,481	7,164	9,481	8,124
53,450	53,500	9,494	7,171	9,494	8,136
53,500	53,550	9,506	7,179	9,506	8,149
53,550	53,600	9,519	7,186	9,519	8,161
53,600	53,650	9,531	7,194	9,531	8,174
53,650	53,700	9,544	7,201	9,544	8,186
53,700	53,750	9,556	7,209	9,556	8,199
53,750	53,800	9,569	7,216	9,569	8,211
53,800	53,850	9,581	7,224	9,581	8,224
53,850	53,900	9,594	7,231	9,594	8,236
53,900	53,950	9,606	7,239	9,606	8,249
53,950	54,000	9,619	7,246	9,619	8,261
<b>54,000</b>					
54,000	54,050	9,631	7,254	9,631	8,274
54,050	54,100	9,644	7,261	9,644	8,286
54,100	54,150	9,656	7,269	9,656	8,299
54,150	54,200	9,669	7,276	9,669	8,311
54,200	54,250	9,681	7,284	9,681	8,324
54,250	54,300	9,694	7,291	9,694	8,336
54,300	54,350	9,706	7,299	9,706	8,349
54,350	54,400	9,719	7,306	9,719	8,361
54,400	54,450	9,731	7,314	9,731	8,374
54,450	54,500	9,744	7,321	9,744	8,386
54,500	54,550	9,756	7,329	9,756	8,399
54,550	54,600	9,769	7,336	9,769	8,411
54,600	54,650	9,781	7,344	9,781	8,424
54,650	54,700	9,794	7,351	9,794	8,436
54,700	54,750	9,806	7,359	9,806	8,449
54,750	54,800	9,819	7,366	9,819	8,461
54,800	54,850	9,831	7,374	9,831	8,474
54,850	54,900	9,844	7,381	9,844	8,486
54,900	54,950	9,856	7,389	9,856	8,499
54,950	55,000	9,869	7,396	9,869	8,511
<b>55,000</b>					
55,000	55,050	9,881	7,404	9,881	8,524
55,050	55,100	9,894	7,411	9,894	8,536
55,100	55,150	9,906	7,419	9,906	8,549
55,150	55,200	9,919	7,426	9,919	8,561
55,200	55,250	9,931	7,434	9,931	8,574
55,250	55,300	9,944	7,441	9,944	8,586
55,300	55,350	9,956	7,449	9,956	8,599
55,350	55,400	9,969	7,456	9,969	8,611
55,400	55,450	9,981	7,464	9,981	8,624
55,450	55,500	9,994	7,471	9,994	8,636
55,500	55,550	10,006	7,479	10,006	8,649
55,550	55,600	10,019	7,486	10,019	8,661
55,600	55,650	10,031	7,494	10,031	8,674
55,650	55,700	10,044	7,501	10,044	8,686
55,700	55,750	10,056	7,509	10,056	8,699
55,750	55,800	10,069	7,516	10,069	8,711
55,800	55,850	10,081	7,524	10,081	8,724
55,850	55,900	10,094	7,531	10,094	8,736
55,900	55,950	10,106	7,539	10,106	8,749
55,950	56,000	10,119	7,546	10,119	8,761

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>56,000</b>					
56,000	56,050	10,131	7,554	10,131	8,774
56,050	56,100	10,144	7,561	10,144	8,786
56,100	56,150	10,156	7,569	10,156	8,799
56,150	56,200	10,169	7,576	10,169	8,811
56,200	56,250	10,181	7,584	10,181	8,824
56,250	56,300	10,194	7,591	10,194	8,836
56,300	56,350	10,206	7,599	10,206	8,849
56,350	56,400	10,219	7,606	10,219	8,861
56,400	56,450	10,231	7,614	10,231	8,874
56,450	56,500	10,244	7,621	10,244	8,886
56,500	56,550	10,256	7,629	10,256	8,899
56,550	56,600	10,269	7,636	10,269	8,911
56,600	56,650	10,281	7,644	10,281	8,924
56,650	56,700	10,294	7,651	10,294	8,936
56,700	56,750	10,306	7,659	10,306	8,949
56,750	56,800	10,319	7,666	10,319	8,961
56,800	56,850	10,331	7,674	10,331	8,974
56,850	56,900	10,344	7,681	10,344	8,986
56,900	56,950	10,356	7,689	10,356	8,999
56,950	57,000	10,369	7,696	10,369	9,011
<b>57,000</b>					
57,000	57,050	10,381	7,704	10,381	9,024
57,050	57,100	10,394	7,711	10,394	9,036
57,100	57,150	10,406	7,719	10,406	9,049
57,150	57,200	10,419	7,726	10,419	9,061
57,200	57,250	10,431	7,734	10,431	9,074
57,250	57,300	10,444	7,741	10,444	9,086
57,300	57,350	10,456	7,749	10,456	9,099
57,350	57,400	10,469	7,756	10,469	9,111
57,400	57,450	10,481	7,764	10,481	9,124
57,450	57,500	10,494	7,771	10,494	9,136
57,500	57,550	10,506	7,779	10,506	9,149
57,550	57,600	10,519	7,786	10,519	9,161
57,600	57,650	10,531	7,794	10,531	9,174
57,650	57,700	10,544	7,801	10,544	9,186
57,700	57,750	10,556	7,809	10,556	9,199
57,750	57,800	10,569	7,816	10,569	9,211
57,800	57,850	10,581	7,824	10,581	9,224
57,850	57,900	10,594	7,831	10,594	9,236
57,900	57,950	10,606	7,839	10,606	9,249
57,950	58,000	10,619	7,846	10,619	9,261
<b>58,000</b>					
58,000	58,050	10,631	7,854	10,631	9,274
58,050	58,100	10,644	7,861	10,644	9,286
58,100	58,150	10,656	7,869	10,656	9,299
58,150	58,200	10,669	7,876	10,669	9,311
58,200	58,250	10,681	7,884	10,681	9,324
58,250	58,300	10,694	7,891	10,694	9,336
58,300	58,350	10,706	7,899	10,706	9,349
58,350	58,400	10,719	7,906	10,719	9,361
58,400	58,450	10,731	7,914	10,731	9,374
58,450	58,500	10,744	7,921	10,744	9,386
58,500	58,550	10,756	7,929	10,75	

2011 Tax Table—Continued

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>59,000</b>					
59,000	59,050	10,881	8,004	10,881	9,524
59,050	59,100	10,894	8,011	10,894	9,536
59,100	59,150	10,906	8,019	10,906	9,549
59,150	59,200	10,919	8,026	10,919	9,561
59,200	59,250	10,931	8,034	10,931	9,574
59,250	59,300	10,944	8,041	10,944	9,586
59,300	59,350	10,956	8,049	10,956	9,599
59,350	59,400	10,969	8,056	10,969	9,611
59,400	59,450	10,981	8,064	10,981	9,624
59,450	59,500	10,994	8,071	10,994	9,636
59,500	59,550	11,006	8,079	11,006	9,649
59,550	59,600	11,019	8,086	11,019	9,661
59,600	59,650	11,031	8,094	11,031	9,674
59,650	59,700	11,044	8,101	11,044	9,686
59,700	59,750	11,056	8,109	11,056	9,699
59,750	59,800	11,069	8,116	11,069	9,711
59,800	59,850	11,081	8,124	11,081	9,724
59,850	59,900	11,094	8,131	11,094	9,736
59,900	59,950	11,106	8,139	11,106	9,749
59,950	60,000	11,119	8,146	11,119	9,761
<b>60,000</b>					
60,000	60,050	11,131	8,154	11,131	9,774
60,050	60,100	11,144	8,161	11,144	9,786
60,100	60,150	11,156	8,169	11,156	9,799
60,150	60,200	11,169	8,176	11,169	9,811
60,200	60,250	11,181	8,184	11,181	9,824
60,250	60,300	11,194	8,191	11,194	9,836
60,300	60,350	11,206	8,199	11,206	9,849
60,350	60,400	11,219	8,206	11,219	9,861
60,400	60,450	11,231	8,214	11,231	9,874
60,450	60,500	11,244	8,221	11,244	9,886
60,500	60,550	11,256	8,229	11,256	9,899
60,550	60,600	11,269	8,236	11,269	9,911
60,600	60,650	11,281	8,244	11,281	9,924
60,650	60,700	11,294	8,251	11,294	9,936
60,700	60,750	11,306	8,259	11,306	9,949
60,750	60,800	11,319	8,266	11,319	9,961
60,800	60,850	11,331	8,274	11,331	9,974
60,850	60,900	11,344	8,281	11,344	9,986
60,900	60,950	11,356	8,289	11,356	9,999
60,950	61,000	11,369	8,296	11,369	10,011
<b>61,000</b>					
61,000	61,050	11,381	8,304	11,381	10,024
61,050	61,100	11,394	8,311	11,394	10,036
61,100	61,150	11,406	8,319	11,406	10,049
61,150	61,200	11,419	8,326	11,419	10,061
61,200	61,250	11,431	8,334	11,431	10,074
61,250	61,300	11,444	8,341	11,444	10,086
61,300	61,350	11,456	8,349	11,456	10,099
61,350	61,400	11,469	8,356	11,469	10,111
61,400	61,450	11,481	8,364	11,481	10,124
61,450	61,500	11,494	8,371	11,494	10,136
61,500	61,550	11,506	8,379	11,506	10,149
61,550	61,600	11,519	8,386	11,519	10,161
61,600	61,650	11,531	8,394	11,531	10,174
61,650	61,700	11,544	8,401	11,544	10,186
61,700	61,750	11,556	8,409	11,556	10,199
61,750	61,800	11,569	8,416	11,569	10,211
61,800	61,850	11,581	8,424	11,581	10,224
61,850	61,900	11,594	8,431	11,594	10,236
61,900	61,950	11,606	8,439	11,606	10,249
61,950	62,000	11,619	8,446	11,619	10,261

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>62,000</b>					
62,000	62,050	11,631	8,454	11,631	10,274
62,050	62,100	11,644	8,461	11,644	10,286
62,100	62,150	11,656	8,469	11,656	10,299
62,150	62,200	11,669	8,476	11,669	10,311
62,200	62,250	11,681	8,484	11,681	10,324
62,250	62,300	11,694	8,491	11,694	10,336
62,300	62,350	11,706	8,499	11,706	10,349
62,350	62,400	11,719	8,506	11,719	10,361
62,400	62,450	11,731	8,514	11,731	10,374
62,450	62,500	11,744	8,521	11,744	10,386
62,500	62,550	11,756	8,529	11,756	10,399
62,550	62,600	11,769	8,536	11,769	10,411
62,600	62,650	11,781	8,544	11,781	10,424
62,650	62,700	11,794	8,551	11,794	10,436
62,700	62,750	11,806	8,559	11,806	10,449
62,750	62,800	11,819	8,566	11,819	10,461
62,800	62,850	11,831	8,574	11,831	10,474
62,850	62,900	11,844	8,581	11,844	10,486
62,900	62,950	11,856	8,589	11,856	10,499
62,950	63,000	11,869	8,596	11,869	10,511
<b>63,000</b>					
63,000	63,050	11,881	8,604	11,881	10,524
63,050	63,100	11,894	8,611	11,894	10,536
63,100	63,150	11,906	8,619	11,906	10,549
63,150	63,200	11,919	8,626	11,919	10,561
63,200	63,250	11,931	8,634	11,931	10,574
63,250	63,300	11,944	8,641	11,944	10,586
63,300	63,350	11,956	8,649	11,956	10,599
63,350	63,400	11,969	8,656	11,969	10,611
63,400	63,450	11,981	8,664	11,981	10,624
63,450	63,500	11,994	8,671	11,994	10,636
63,500	63,550	12,006	8,679	12,006	10,649
63,550	63,600	12,019	8,686	12,019	10,661
63,600	63,650	12,031	8,694	12,031	10,674
63,650	63,700	12,044	8,701	12,044	10,686
63,700	63,750	12,056	8,709	12,056	10,699
63,750	63,800	12,069	8,716	12,069	10,711
63,800	63,850	12,081	8,724	12,081	10,724
63,850	63,900	12,094	8,731	12,094	10,736
63,900	63,950	12,106	8,739	12,106	10,749
63,950	64,000	12,119	8,746	12,119	10,761
<b>64,000</b>					
64,000	64,050	12,131	8,754	12,131	10,774
64,050	64,100	12,144	8,761	12,144	10,786
64,100	64,150	12,156	8,769	12,156	10,799
64,150	64,200	12,169	8,776	12,169	10,811
64,200	64,250	12,181	8,784	12,181	10,824
64,250	64,300	12,194	8,791	12,194	10,836
64,300	64,350	12,206	8,799	12,206	10,849
64,350	64,400	12,219	8,806	12,219	10,861
64,400	64,450	12,231	8,814	12,231	10,874
64,450	64,500	12,244	8,821	12,244	10,886
64,500	64,550	12,256	8,829	12,256	10,899
64,550	64,600	12,269	8,836	12,269	10,911
64,600	64,650	12,281	8,844	12,281	10,924
64,650	64,700	12,294	8,851	12,294	10,936
64,700	64,750	12,306	8,859	12,306	10,949
64,750	64,800	12,319	8,866	12,319	10,961
64,800	64,850	12,331	8,874	12,331	10,974
64,850	64,900	12,344	8,881	12,344	10,986
64,900	64,950	12,356	8,889	12,356	10,999
64,950	65,000	12,369	8,896	12,369	11,011

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>65,000</b>					
65,000	65,050	12,381	8,904	12,381	11,024
65,050	65,100	12,394	8,911	12,394	11,036
65,100	65,150	12,406	8,919	12,406	11,049
65,150	65,200	12,419	8,926	12,419	11,061
65,200	65,250	12,431	8,934	12,431	11,074
65,250	65,300	12,444	8,941	12,444	11,086
65,300	65,350	12,456	8,949	12,456	11,099
65,350	65,400	12,469	8,956	12,469	11,111
65,400	65,450	12,481	8,964	12,481	11,124
65,450	65,500	12,494	8,971	12,494	11,136
65,500	65,550	12,506	8,979	12,506	11,149
65,550	65,600	12,519	8,986	12,519	11,161
65,600	65,650	12,531	8,994	12,531	11,174
65,650	65,700	12,544	9,001	12,544	11,186
65,700	65,750	12,556	9,009	12,556	11,199
65,750	65,800	12,569	9,016	12,569	11,211
65,800	65,850	12,581	9,024	12,581	11,224
65,850	65,900	12,594	9,031	12,594	11,236
65,900	65,950	12,606	9,039	12,606	11,249
65,950	66,000	12,619	9,046	12,619	11,261
<b>66,000</b>					
66,000	66,050	12,631	9,054	12,631	11,274
66,050	66,100	12,644	9,061	12,644	11,286
66,100	66,150	12,656	9,069	12,656	11,299
66,150	66,200	12,669	9,076	12,669	11,311
66,200	66,250	12,681	9,084	12,681	11,324
66,250	66,300	12,694	9,091	12,694	11,336
66,300	66,350	12,706	9,099	12,706	11,349
66,350	66,400	12,719	9,106	12,719	11,361
66,400	66,450	12,731	9,114	12,731	11,374

2011 Tax Table—Continued

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>68,000</b>					
68,000	68,050	13,131	9,354	13,131	11,774
68,050	68,100	13,144	9,361	13,144	11,786
68,100	68,150	13,156	9,369	13,156	11,799
68,150	68,200	13,169	9,376	13,169	11,811
68,200	68,250	13,181	9,384	13,181	11,824
68,250	68,300	13,194	9,391	13,194	11,836
68,300	68,350	13,206	9,399	13,206	11,849
68,350	68,400	13,219	9,406	13,219	11,861
68,400	68,450	13,231	9,414	13,231	11,874
68,450	68,500	13,244	9,421	13,244	11,886
68,500	68,550	13,256	9,429	13,256	11,899
68,550	68,600	13,269	9,436	13,269	11,911
68,600	68,650	13,281	9,444	13,281	11,924
68,650	68,700	13,294	9,451	13,294	11,936
68,700	68,750	13,306	9,459	13,306	11,949
68,750	68,800	13,319	9,466	13,319	11,961
68,800	68,850	13,331	9,474	13,331	11,974
68,850	68,900	13,344	9,481	13,344	11,986
68,900	68,950	13,356	9,489	13,356	11,999
68,950	69,000	13,369	9,496	13,369	12,011
<b>69,000</b>					
69,000	69,050	13,381	9,506	13,381	12,024
69,050	69,100	13,394	9,519	13,394	12,036
69,100	69,150	13,406	9,531	13,406	12,049
69,150	69,200	13,419	9,544	13,419	12,061
69,200	69,250	13,431	9,556	13,431	12,074
69,250	69,300	13,444	9,569	13,444	12,086
69,300	69,350	13,456	9,581	13,456	12,099
69,350	69,400	13,469	9,594	13,469	12,111
69,400	69,450	13,481	9,606	13,481	12,124
69,450	69,500	13,494	9,619	13,494	12,136
69,500	69,550	13,506	9,631	13,506	12,149
69,550	69,600	13,519	9,644	13,519	12,161
69,600	69,650	13,531	9,656	13,531	12,174
69,650	69,700	13,544	9,669	13,544	12,186
69,700	69,750	13,556	9,681	13,556	12,199
69,750	69,800	13,569	9,694	13,572	12,211
69,800	69,850	13,581	9,706	13,586	12,224
69,850	69,900	13,594	9,719	13,600	12,236
69,900	69,950	13,606	9,731	13,614	12,249
69,950	70,000	13,619	9,744	13,628	12,261
<b>70,000</b>					
70,000	70,050	13,631	9,756	13,642	12,274
70,050	70,100	13,644	9,769	13,656	12,286
70,100	70,150	13,656	9,781	13,670	12,299
70,150	70,200	13,669	9,794	13,684	12,311
70,200	70,250	13,681	9,806	13,698	12,324
70,250	70,300	13,694	9,819	13,712	12,336
70,300	70,350	13,706	9,831	13,726	12,349
70,350	70,400	13,719	9,844	13,740	12,361
70,400	70,450	13,731	9,856	13,754	12,374
70,450	70,500	13,744	9,869	13,768	12,386
70,500	70,550	13,756	9,881	13,782	12,399
70,550	70,600	13,769	9,894	13,796	12,411
70,600	70,650	13,781	9,906	13,810	12,424
70,650	70,700	13,794	9,919	13,824	12,436
70,700	70,750	13,806	9,931	13,838	12,449
70,750	70,800	13,819	9,944	13,852	12,461
70,800	70,850	13,831	9,956	13,866	12,474
70,850	70,900	13,844	9,969	13,880	12,486
70,900	70,950	13,856	9,981	13,894	12,499
70,950	71,000	13,869	9,994	13,908	12,511

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>71,000</b>					
71,000	71,050	13,881	10,006	13,922	12,524
71,050	71,100	13,894	10,019	13,936	12,536
71,100	71,150	13,906	10,031	13,950	12,549
71,150	71,200	13,919	10,044	13,964	12,561
71,200	71,250	13,931	10,056	13,978	12,574
71,250	71,300	13,944	10,069	13,992	12,586
71,300	71,350	13,956	10,081	14,006	12,599
71,350	71,400	13,969	10,094	14,020	12,611
71,400	71,450	13,981	10,106	14,034	12,624
71,450	71,500	13,994	10,119	14,048	12,636
71,500	71,550	14,006	10,131	14,062	12,649
71,550	71,600	14,019	10,144	14,076	12,661
71,600	71,650	14,031	10,156	14,090	12,674
71,650	71,700	14,044	10,169	14,104	12,686
71,700	71,750	14,056	10,181	14,118	12,699
71,750	71,800	14,069	10,194	14,132	12,711
71,800	71,850	14,081	10,206	14,146	12,724
71,850	71,900	14,094	10,219	14,160	12,736
71,900	71,950	14,106	10,231	14,174	12,749
71,950	72,000	14,119	10,244	14,188	12,761
<b>72,000</b>					
72,000	72,050	14,131	10,256	14,202	12,774
72,050	72,100	14,144	10,269	14,216	12,786
72,100	72,150	14,156	10,281	14,230	12,799
72,150	72,200	14,169	10,294	14,244	12,811
72,200	72,250	14,181	10,306	14,258	12,824
72,250	72,300	14,194	10,319	14,272	12,836
72,300	72,350	14,206	10,331	14,286	12,849
72,350	72,400	14,219	10,344	14,300	12,861
72,400	72,450	14,231	10,356	14,314	12,874
72,450	72,500	14,244	10,369	14,328	12,886
72,500	72,550	14,256	10,381	14,342	12,899
72,550	72,600	14,269	10,394	14,356	12,911
72,600	72,650	14,281	10,406	14,370	12,924
72,650	72,700	14,294	10,419	14,384	12,936
72,700	72,750	14,306	10,431	14,398	12,949
72,750	72,800	14,319	10,444	14,412	12,961
72,800	72,850	14,331	10,456	14,426	12,974
72,850	72,900	14,344	10,469	14,440	12,986
72,900	72,950	14,356	10,481	14,454	12,999
72,950	73,000	14,369	10,494	14,468	13,011
<b>73,000</b>					
73,000	73,050	14,381	10,506	14,482	13,024
73,050	73,100	14,394	10,519	14,496	13,036
73,100	73,150	14,406	10,531	14,510	13,049
73,150	73,200	14,419	10,544	14,524	13,061
73,200	73,250	14,431	10,556	14,538	13,074
73,250	73,300	14,444	10,569	14,552	13,086
73,300	73,350	14,456	10,581	14,566	13,099
73,350	73,400	14,469	10,594	14,580	13,111
73,400	73,450	14,481	10,606	14,594	13,124
73,450	73,500	14,494	10,619	14,608	13,136
73,500	73,550	14,506	10,631	14,622	13,149
73,550	73,600	14,519	10,644	14,636	13,161
73,600	73,650	14,531	10,656	14,650	13,174
73,650	73,700	14,544	10,669	14,664	13,186
73,700	73,750	14,556	10,681	14,678	13,199
73,750	73,800	14,569	10,694	14,692	13,211
73,800	73,850	14,581	10,706	14,706	13,224
73,850	73,900	14,594	10,719	14,720	13,236
73,900	73,950	14,606	10,731	14,734	13,249
73,950	74,000	14,619	10,744	14,748	13,261

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>74,000</b>					
74,000	74,050	14,631	10,756	14,762	13,274
74,050	74,100	14,644	10,769	14,776	13,286
74,100	74,150	14,656	10,781	14,790	13,299
74,150	74,200	14,669	10,794	14,804	13,311
74,200	74,250	14,681	10,806	14,818	13,324
74,250	74,300	14,694	10,819	14,832	13,336
74,300	74,350	14,706	10,831	14,846	13,349
74,350	74,400	14,719	10,844	14,860	13,361
74,400	74,450	14,731	10,856	14,874	13,374
74,450	74,500	14,744	10,869	14,888	13,386
74,500	74,550	14,756	10,881	14,902	13,399
74,550	74,600	14,769	10,894	14,916	13,411
74,600	74,650	14,781	10,906	14,930	13,424
74,650	74,700	14,794	10,919	14,944	13,436
74,700	74,750	14,806	10,931	14,958	13,449
74,750	74,800	14,819	10,944	14,972	13,461
74,800	74,850	14,831	10,956	14,986	13,474
74,850	74,900	14,844	10,969	15,000	13,486
74,900	74,950	14,856	10,981	15,014	13,499
74,950	75,000	14,869	10,994	15,028	13,511
<b>75,000</b>					
75,000	75,050	14,881	11,006	15,042	13,524
75,050	75,100	14,894	11,019	15,056	13,536
75,100	75,150	14,906	11,031	15,070	13,549
75,150	75,200	14,919	11,044	15,084	13,561
75,200	75,250	14,931	11,056	15,098	13,574
75,250	75,300	14,944	11,069	15,112	13,586
75,300	75,350	14,956	11,081	15,126	13,599
75,350	75,400	14,969	11,094	15,140	13,611
75,400	75,450	14,981	11,106	15,154	13,624
75,450	75,500	14,994	11,119	15,168	13,636
75,500	75,550	15,006	11,131	15,182	13,649
75,550	75,600	15,019	11,144	15,196	13,661
75,600	75,650	15,031	11,156	15,210	13,674
75,650	75,700	15,044	11,169	15,224	13,686
75,700	75,750	15,056	11,181	15,238	13,699
75,750	75,800	15,069	11,194	15,252	13,711
75,800	75,850	15,081	11,206	15,266	13,724
75,850	75,900	15,094	11,219	15,280	13,736
75,900	75,950	15,106	11,231	15,294	13,749
75,950	76,000	15,119	11,244	15,308	13,761
<b>76,000</b>					
76,000	76,050	15,131	11,256	15,322	13,774
76,050	76,100	15,144	11,269	15,336	13,786
76,100	76,150	15,156	11,281	15,350	13,799
76,150	76,200	15,169	11,294	1	

2011 Tax Table—Continued

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>77,000</b>					
77,000	77,050	15,381	11,506	15,602	14,024
77,050	77,100	15,394	11,519	15,616	14,036
77,100	77,150	15,406	11,531	15,630	14,049
77,150	77,200	15,419	11,544	15,644	14,061
77,200	77,250	15,431	11,556	15,658	14,074
77,250	77,300	15,444	11,569	15,672	14,086
77,300	77,350	15,456	11,581	15,686	14,099
77,350	77,400	15,469	11,594	15,700	14,111
77,400	77,450	15,481	11,606	15,714	14,124
77,450	77,500	15,494	11,619	15,728	14,136
77,500	77,550	15,506	11,631	15,742	14,149
77,550	77,600	15,519	11,644	15,756	14,161
77,600	77,650	15,531	11,656	15,770	14,174
77,650	77,700	15,544	11,669	15,784	14,186
77,700	77,750	15,556	11,681	15,798	14,199
77,750	77,800	15,569	11,694	15,812	14,211
77,800	77,850	15,581	11,706	15,826	14,224
77,850	77,900	15,594	11,719	15,840	14,236
77,900	77,950	15,606	11,731	15,854	14,249
77,950	78,000	15,619	11,744	15,868	14,261
<b>78,000</b>					
78,000	78,050	15,631	11,756	15,882	14,274
78,050	78,100	15,644	11,769	15,896	14,286
78,100	78,150	15,656	11,781	15,910	14,299
78,150	78,200	15,669	11,794	15,924	14,311
78,200	78,250	15,681	11,806	15,938	14,324
78,250	78,300	15,694	11,819	15,952	14,336
78,300	78,350	15,706	11,831	15,966	14,349
78,350	78,400	15,719	11,844	15,980	14,361
78,400	78,450	15,731	11,856	15,994	14,374
78,450	78,500	15,744	11,869	16,008	14,386
78,500	78,550	15,756	11,881	16,022	14,399
78,550	78,600	15,769	11,894	16,036	14,411
78,600	78,650	15,781	11,906	16,050	14,424
78,650	78,700	15,794	11,919	16,064	14,436
78,700	78,750	15,806	11,931	16,078	14,449
78,750	78,800	15,819	11,944	16,092	14,461
78,800	78,850	15,831	11,956	16,106	14,474
78,850	78,900	15,844	11,969	16,120	14,486
78,900	78,950	15,856	11,981	16,134	14,499
78,950	79,000	15,869	11,994	16,148	14,511
<b>79,000</b>					
79,000	79,050	15,881	12,006	16,162	14,524
79,050	79,100	15,894	12,019	16,176	14,536
79,100	79,150	15,906	12,031	16,190	14,549
79,150	79,200	15,919	12,044	16,204	14,561
79,200	79,250	15,931	12,056	16,218	14,574
79,250	79,300	15,944	12,069	16,232	14,586
79,300	79,350	15,956	12,081	16,246	14,599
79,350	79,400	15,969	12,094	16,260	14,611
79,400	79,450	15,981	12,106	16,274	14,624
79,450	79,500	15,994	12,119	16,288	14,636
79,500	79,550	16,006	12,131	16,302	14,649
79,550	79,600	16,019	12,144	16,316	14,661
79,600	79,650	16,031	12,156	16,330	14,674
79,650	79,700	16,044	12,169	16,344	14,686
79,700	79,750	16,056	12,181	16,358	14,699
79,750	79,800	16,069	12,194	16,372	14,711
79,800	79,850	16,081	12,206	16,386	14,724
79,850	79,900	16,094	12,219	16,400	14,736
79,900	79,950	16,106	12,231	16,414	14,749
79,950	80,000	16,119	12,244	16,428	14,761

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>80,000</b>					
80,000	80,050	16,131	12,256	16,442	14,774
80,050	80,100	16,144	12,269	16,456	14,786
80,100	80,150	16,156	12,281	16,470	14,799
80,150	80,200	16,169	12,294	16,484	14,811
80,200	80,250	16,181	12,306	16,498	14,824
80,250	80,300	16,194	12,319	16,512	14,836
80,300	80,350	16,206	12,331	16,526	14,849
80,350	80,400	16,219	12,344	16,540	14,861
80,400	80,450	16,231	12,356	16,554	14,874
80,450	80,500	16,244	12,369	16,568	14,886
80,500	80,550	16,256	12,381	16,582	14,899
80,550	80,600	16,269	12,394	16,596	14,911
80,600	80,650	16,281	12,406	16,610	14,924
80,650	80,700	16,294	12,419	16,624	14,936
80,700	80,750	16,306	12,431	16,638	14,949
80,750	80,800	16,319	12,444	16,652	14,961
80,800	80,850	16,331	12,456	16,666	14,974
80,850	80,900	16,344	12,469	16,680	14,986
80,900	80,950	16,356	12,481	16,694	14,999
80,950	81,000	16,369	12,494	16,708	15,011
<b>81,000</b>					
81,000	81,050	16,381	12,506	16,722	15,024
81,050	81,100	16,394	12,519	16,736	15,036
81,100	81,150	16,406	12,531	16,750	15,049
81,150	81,200	16,419	12,544	16,764	15,061
81,200	81,250	16,431	12,556	16,778	15,074
81,250	81,300	16,444	12,569	16,792	15,086
81,300	81,350	16,456	12,581	16,806	15,099
81,350	81,400	16,469	12,594	16,820	15,111
81,400	81,450	16,481	12,606	16,834	15,124
81,450	81,500	16,494	12,619	16,848	15,136
81,500	81,550	16,506	12,631	16,862	15,149
81,550	81,600	16,519	12,644	16,876	15,161
81,600	81,650	16,531	12,656	16,890	15,174
81,650	81,700	16,544	12,669	16,904	15,186
81,700	81,750	16,556	12,681	16,918	15,199
81,750	81,800	16,569	12,694	16,932	15,211
81,800	81,850	16,581	12,706	16,946	15,224
81,850	81,900	16,594	12,719	16,960	15,236
81,900	81,950	16,606	12,731	16,974	15,249
81,950	82,000	16,619	12,744	16,988	15,261
<b>82,000</b>					
82,000	82,050	16,631	12,756	17,002	15,274
82,050	82,100	16,644	12,769	17,016	15,286
82,100	82,150	16,656	12,781	17,030	15,299
82,150	82,200	16,669	12,794	17,044	15,311
82,200	82,250	16,681	12,806	17,058	15,324
82,250	82,300	16,694	12,819	17,072	15,336
82,300	82,350	16,706	12,831	17,086	15,349
82,350	82,400	16,719	12,844	17,100	15,361
82,400	82,450	16,731	12,856	17,114	15,374
82,450	82,500	16,744	12,869	17,128	15,386
82,500	82,550	16,756	12,881	17,142	15,399
82,550	82,600	16,769	12,894	17,156	15,411
82,600	82,650	16,781	12,906	17,170	15,424
82,650	82,700	16,794	12,919	17,184	15,436
82,700	82,750	16,806	12,931	17,198	15,449
82,750	82,800	16,819	12,944	17,212	15,461
82,800	82,850	16,831	12,956	17,226	15,474
82,850	82,900	16,844	12,969	17,240	15,486
82,900	82,950	16,856	12,981	17,254	15,499
82,950	83,000	16,869	12,994	17,268	15,511

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>83,000</b>					
83,000	83,050	16,881	13,006	17,282	15,524
83,050	83,100	16,894	13,019	17,296	15,536
83,100	83,150	16,906	13,031	17,310	15,549
83,150	83,200	16,919	13,044	17,324	15,561
83,200	83,250	16,931	13,056	17,338	15,574
83,250	83,300	16,944	13,069	17,352	15,586
83,300	83,350	16,956	13,081	17,366	15,599
83,350	83,400	16,969	13,094	17,380	15,611
83,400	83,450	16,981	13,106	17,394	15,624
83,450	83,500	16,994	13,119	17,408	15,636
83,500	83,550	17,006	13,131	17,422	15,649
83,550	83,600	17,019	13,144	17,436	15,661
83,600	83,650	17,032	13,156	17,450	15,674
83,650	83,700	17,046	13,169	17,464	15,686
83,700	83,750	17,060	13,181	17,478	15,699
83,750	83,800	17,074	13,194	17,492	15,711
83,800	83,850	17,088	13,206	17,506	15,724
83,850	83,900	17,102	13,219	17,520	15,736
83,900	83,950	17,116	13,231	17,534	15,749
83,950	84,000	17,130	13,244	17,548	15,761
<b>84,000</b>					
84,000	84,050	17,144	13,256	17,562	15,774
84,050	84,100	17,158	13,269	17,576	15,786
84,100	84,150	17,172	13,281	17,590	15,799
84,150	84,200	17,186	13,294	17,604	15,811
84,200	84,250	17,200	13,306	17,618	15,824
84,250	84,300	17,214	13,319	17,632	15,836
84,300	84,350	17,228	13,331		

2011 Tax Table—Continued

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>86,000</b>					
86,000	86,050	17,704	13,756	18,122	16,274
86,050	86,100	17,718	13,769	18,136	16,286
86,100	86,150	17,732	13,781	18,150	16,299
86,150	86,200	17,746	13,794	18,164	16,311
86,200	86,250	17,760	13,806	18,178	16,324
86,250	86,300	17,774	13,819	18,192	16,336
86,300	86,350	17,788	13,831	18,206	16,349
86,350	86,400	17,802	13,844	18,220	16,361
86,400	86,450	17,816	13,856	18,234	16,374
86,450	86,500	17,830	13,869	18,248	16,386
86,500	86,550	17,844	13,881	18,262	16,399
86,550	86,600	17,858	13,894	18,276	16,411
86,600	86,650	17,872	13,906	18,290	16,424
86,650	86,700	17,886	13,919	18,304	16,436
86,700	86,750	17,900	13,931	18,318	16,449
86,750	86,800	17,914	13,944	18,332	16,461
86,800	86,850	17,928	13,956	18,346	16,474
86,850	86,900	17,942	13,969	18,360	16,486
86,900	86,950	17,956	13,981	18,374	16,499
86,950	87,000	17,970	13,994	18,388	16,511
<b>87,000</b>					
87,000	87,050	17,984	14,006	18,402	16,524
87,050	87,100	17,998	14,019	18,416	16,536
87,100	87,150	18,012	14,031	18,430	16,549
87,150	87,200	18,026	14,044	18,444	16,561
87,200	87,250	18,040	14,056	18,458	16,574
87,250	87,300	18,054	14,069	18,472	16,586
87,300	87,350	18,068	14,081	18,486	16,599
87,350	87,400	18,082	14,094	18,500	16,611
87,400	87,450	18,096	14,106	18,514	16,624
87,450	87,500	18,110	14,119	18,528	16,636
87,500	87,550	18,124	14,131	18,542	16,649
87,550	87,600	18,138	14,144	18,556	16,661
87,600	87,650	18,152	14,156	18,570	16,674
87,650	87,700	18,166	14,169	18,584	16,686
87,700	87,750	18,180	14,181	18,598	16,699
87,750	87,800	18,194	14,194	18,612	16,711
87,800	87,850	18,208	14,206	18,626	16,724
87,850	87,900	18,222	14,219	18,640	16,736
87,900	87,950	18,236	14,231	18,654	16,749
87,950	88,000	18,250	14,244	18,668	16,761
<b>88,000</b>					
88,000	88,050	18,264	14,256	18,682	16,774
88,050	88,100	18,278	14,269	18,696	16,786
88,100	88,150	18,292	14,281	18,710	16,799
88,150	88,200	18,306	14,294	18,724	16,811
88,200	88,250	18,320	14,306	18,738	16,824
88,250	88,300	18,334	14,319	18,752	16,836
88,300	88,350	18,348	14,331	18,766	16,849
88,350	88,400	18,362	14,344	18,780	16,861
88,400	88,450	18,376	14,356	18,794	16,874
88,450	88,500	18,390	14,369	18,808	16,886
88,500	88,550	18,404	14,381	18,822	16,899
88,550	88,600	18,418	14,394	18,836	16,911
88,600	88,650	18,432	14,406	18,850	16,924
88,650	88,700	18,446	14,419	18,864	16,936
88,700	88,750	18,460	14,431	18,878	16,949
88,750	88,800	18,474	14,444	18,892	16,961
88,800	88,850	18,488	14,456	18,906	16,974
88,850	88,900	18,502	14,469	18,920	16,986
88,900	88,950	18,516	14,481	18,934	16,999
88,950	89,000	18,530	14,494	18,948	17,011

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>89,000</b>					
89,000	89,050	18,544	14,506	18,962	17,024
89,050	89,100	18,558	14,519	18,976	17,036
89,100	89,150	18,572	14,531	18,990	17,049
89,150	89,200	18,586	14,544	19,004	17,061
89,200	89,250	18,600	14,556	19,018	17,074
89,250	89,300	18,614	14,569	19,032	17,086
89,300	89,350	18,628	14,581	19,046	17,099
89,350	89,400	18,642	14,594	19,060	17,111
89,400	89,450	18,656	14,606	19,074	17,124
89,450	89,500	18,670	14,619	19,088	17,136
89,500	89,550	18,684	14,631	19,102	17,149
89,550	89,600	18,698	14,644	19,116	17,161
89,600	89,650	18,712	14,656	19,130	17,174
89,650	89,700	18,726	14,669	19,144	17,186
89,700	89,750	18,740	14,681	19,158	17,199
89,750	89,800	18,754	14,694	19,172	17,211
89,800	89,850	18,768	14,706	19,186	17,224
89,850	89,900	18,782	14,719	19,200	17,236
89,900	89,950	18,796	14,731	19,214	17,249
89,950	90,000	18,810	14,744	19,228	17,261
<b>90,000</b>					
90,000	90,050	18,824	14,756	19,242	17,274
90,050	90,100	18,838	14,769	19,256	17,286
90,100	90,150	18,852	14,781	19,270	17,299
90,150	90,200	18,866	14,794	19,284	17,311
90,200	90,250	18,880	14,806	19,298	17,324
90,250	90,300	18,894	14,819	19,312	17,336
90,300	90,350	18,908	14,831	19,326	17,349
90,350	90,400	18,922	14,844	19,340	17,361
90,400	90,450	18,936	14,856	19,354	17,374
90,450	90,500	18,950	14,869	19,368	17,386
90,500	90,550	18,964	14,881	19,382	17,399
90,550	90,600	18,978	14,894	19,396	17,411
90,600	90,650	18,992	14,906	19,410	17,424
90,650	90,700	19,006	14,919	19,424	17,436
90,700	90,750	19,020	14,931	19,438	17,449
90,750	90,800	19,034	14,944	19,452	17,461
90,800	90,850	19,048	14,956	19,466	17,474
90,850	90,900	19,062	14,969	19,480	17,486
90,900	90,950	19,076	14,981	19,494	17,499
90,950	91,000	19,090	14,994	19,508	17,511
<b>91,000</b>					
91,000	91,050	19,104	15,006	19,522	17,524
91,050	91,100	19,118	15,019	19,536	17,536
91,100	91,150	19,132	15,031	19,550	17,549
91,150	91,200	19,146	15,044	19,564	17,561
91,200	91,250	19,160	15,056	19,578	17,574
91,250	91,300	19,174	15,069	19,592	17,586
91,300	91,350	19,188	15,081	19,606	17,599
91,350	91,400	19,202	15,094	19,620	17,611
91,400	91,450	19,216	15,106	19,634	17,624
91,450	91,500	19,230	15,119	19,648	17,636
91,500	91,550	19,244	15,131	19,662	17,649
91,550	91,600	19,258	15,144	19,676	17,661
91,600	91,650	19,272	15,156	19,690	17,674
91,650	91,700	19,286	15,169	19,704	17,686
91,700	91,750	19,300	15,181	19,718	17,699
91,750	91,800	19,314	15,194	19,732	17,711
91,800	91,850	19,328	15,206	19,746	17,724
91,850	91,900	19,342	15,219	19,760	17,736
91,900	91,950	19,356	15,231	19,774	17,749
91,950	92,000	19,370	15,244	19,788	17,761

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>92,000</b>					
92,000	92,050	19,384	15,256	19,802	17,774
92,050	92,100	19,398	15,269	19,816	17,786
92,100	92,150	19,412	15,281	19,830	17,799
92,150	92,200	19,426	15,294	19,844	17,811
92,200	92,250	19,440	15,306	19,858	17,824
92,250	92,300	19,454	15,319	19,872	17,836
92,300	92,350	19,468	15,331	19,886	17,849
92,350	92,400	19,482	15,344	19,900	17,861
92,400	92,450	19,496	15,356	19,914	17,874
92,450	92,500	19,510	15,369	19,928	17,886
92,500	92,550	19,524	15,381	19,942	17,899
92,550	92,600	19,538	15,394	19,956	17,911
92,600	92,650	19,552	15,406	19,970	17,924
92,650	92,700	19,566	15,419	19,984	17,936
92,700	92,750	19,580	15,431	19,998	17,949
92,750	92,800	19,594	15,444	20,012	17,961
92,800	92,850	19,608	15,456	20,026	17,974
92,850	92,900	19,622	15,469	20,040	17,986
92,900	92,950	19,636	15,481	20,054	17,999
92,950	93,000	19,650	15,494	20,068	18,011
<b>93,000</b>					
93,000	93,050	19,664	15,506	20,082	18,024
93,050	93,100	19,678	15,519	20,096	18,036
93,100	93,150	19,692	15,531	20,110	18,049
93,150	93,200	19,706	15,544	20,124	18,061
93,200	93,250	19,720	15,556	20,138	18,074
93,250	93,300	19,734	15,569	20,152	18,086
93,300	93,350	19,748	15,581	2	

2011 Tax Table—Continued

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>95,000</b>					
95,000	95,050	20,224	16,006	20,642	18,524
95,050	95,100	20,238	16,019	20,656	18,536
95,100	95,150	20,252	16,031	20,670	18,549
95,150	95,200	20,266	16,044	20,684	18,561
95,200	95,250	20,280	16,056	20,698	18,574
95,250	95,300	20,294	16,069	20,712	18,586
95,300	95,350	20,308	16,081	20,726	18,599
95,350	95,400	20,322	16,094	20,740	18,611
95,400	95,450	20,336	16,106	20,754	18,624
95,450	95,500	20,350	16,119	20,768	18,636
95,500	95,550	20,364	16,131	20,782	18,649
95,550	95,600	20,378	16,144	20,796	18,661
95,600	95,650	20,392	16,156	20,810	18,674
95,650	95,700	20,406	16,169	20,824	18,686
95,700	95,750	20,420	16,181	20,838	18,699
95,750	95,800	20,434	16,194	20,852	18,711
95,800	95,850	20,448	16,206	20,866	18,724
95,850	95,900	20,462	16,219	20,880	18,736
95,900	95,950	20,476	16,231	20,894	18,749
95,950	96,000	20,490	16,244	20,908	18,761
<b>96,000</b>					
96,000	96,050	20,504	16,256	20,922	18,774
96,050	96,100	20,518	16,269	20,936	18,786
96,100	96,150	20,532	16,281	20,950	18,799
96,150	96,200	20,546	16,294	20,964	18,811
96,200	96,250	20,560	16,306	20,978	18,824
96,250	96,300	20,574	16,319	20,992	18,836
96,300	96,350	20,588	16,331	21,006	18,849
96,350	96,400	20,602	16,344	21,020	18,861
96,400	96,450	20,616	16,356	21,034	18,874
96,450	96,500	20,630	16,369	21,048	18,886
96,500	96,550	20,644	16,381	21,062	18,899
96,550	96,600	20,658	16,394	21,076	18,911
96,600	96,650	20,672	16,406	21,090	18,924
96,650	96,700	20,686	16,419	21,104	18,936
96,700	96,750	20,700	16,431	21,118	18,949
96,750	96,800	20,714	16,444	21,132	18,961
96,800	96,850	20,728	16,456	21,146	18,974
96,850	96,900	20,742	16,469	21,160	18,986
96,900	96,950	20,756	16,481	21,174	18,999
96,950	97,000	20,770	16,494	21,188	19,011

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>97,000</b>					
97,000	97,050	20,784	16,506	21,202	19,024
97,050	97,100	20,798	16,519	21,216	19,036
97,100	97,150	20,812	16,531	21,230	19,049
97,150	97,200	20,826	16,544	21,244	19,061
97,200	97,250	20,840	16,556	21,258	19,074
97,250	97,300	20,854	16,569	21,272	19,086
97,300	97,350	20,868	16,581	21,286	19,099
97,350	97,400	20,882	16,594	21,300	19,111
97,400	97,450	20,896	16,606	21,314	19,124
97,450	97,500	20,910	16,619	21,328	19,136
97,500	97,550	20,924	16,631	21,342	19,149
97,550	97,600	20,938	16,644	21,356	19,161
97,600	97,650	20,952	16,656	21,370	19,174
97,650	97,700	20,966	16,669	21,384	19,186
97,700	97,750	20,980	16,681	21,398	19,199
97,750	97,800	20,994	16,694	21,412	19,211
97,800	97,850	21,008	16,706	21,426	19,224
97,850	97,900	21,022	16,719	21,440	19,236
97,900	97,950	21,036	16,731	21,454	19,249
97,950	98,000	21,050	16,744	21,468	19,261
<b>98,000</b>					
98,000	98,050	21,064	16,756	21,482	19,274
98,050	98,100	21,078	16,769	21,496	19,286
98,100	98,150	21,092	16,781	21,510	19,299
98,150	98,200	21,106	16,794	21,524	19,311
98,200	98,250	21,120	16,806	21,538	19,324
98,250	98,300	21,134	16,819	21,552	19,336
98,300	98,350	21,148	16,831	21,566	19,349
98,350	98,400	21,162	16,844	21,580	19,361
98,400	98,450	21,176	16,856	21,594	19,374
98,450	98,500	21,190	16,869	21,608	19,386
98,500	98,550	21,204	16,881	21,622	19,399
98,550	98,600	21,218	16,894	21,636	19,411
98,600	98,650	21,232	16,906	21,650	19,424
98,650	98,700	21,246	16,919	21,664	19,436
98,700	98,750	21,260	16,931	21,678	19,449
98,750	98,800	21,274	16,944	21,692	19,461
98,800	98,850	21,288	16,956	21,706	19,474
98,850	98,900	21,302	16,969	21,720	19,486
98,900	98,950	21,316	16,981	21,734	19,499
98,950	99,000	21,330	16,994	21,748	19,511

If line 43 (taxable income) is—		And you are—			
At least	But less than	Single	Married filing jointly	Married filing separately	Head of a household
		Your tax is—			
<b>99,000</b>					
99,000	99,050	21,344	17,006	21,762	19,524
99,050	99,100	21,358	17,019	21,776	19,536
99,100	99,150	21,372	17,031	21,790	19,549
99,150	99,200	21,386	17,044	21,804	19,561
99,200	99,250	21,400	17,056	21,818	19,574
99,250	99,300	21,414	17,069	21,832	19,586
99,300	99,350	21,428	17,081	21,846	19,599
99,350	99,400	21,442	17,094	21,860	19,611
99,400	99,450	21,456	17,106	21,874	19,624
99,450	99,500	21,470	17,119	21,888	19,636
99,500	99,550	21,484	17,131	21,902	19,649
99,550	99,600	21,498	17,144	21,916	19,661
99,600	99,650	21,512	17,156	21,930	19,674
99,650	99,700	21,526	17,169	21,944	19,686
99,700	99,750	21,540	17,181	21,958	19,699
99,750	99,800	21,554	17,194	21,972	19,711
99,800	99,850	21,568	17,206	21,986	19,724
99,850	99,900	21,582	17,219	22,000	19,736
99,900	99,950	21,596	17,231	22,014	19,749
99,950	100,000	21,610	17,244	22,028	19,761

**\$100,000 or over — use the Tax Computation Worksheet**

\* This column must also be used by a qualifying widow(er)

## 2011 Tax Computation Worksheet—Line 44



See the instructions for line 44 to see if you must use the worksheet below to figure your tax.

**Note.** If you are required to use this worksheet to figure the tax on an amount from another form or worksheet, such as the Qualified Dividends and Capital Gain Tax Worksheet, the Schedule D Tax Worksheet, Schedule J, Form 8615, or the Foreign Earned Income Tax Worksheet, enter the amount from that form or worksheet in column (a) of the row that applies to the amount you are looking up. Enter the result on the appropriate line of the form or worksheet that you are completing.

**Section A**—Use if your filing status is **Single**. Complete the row below that applies to you.

<b>Taxable income.</b> If line 43 is—	<b>(a)</b> Enter the amount from line 43	<b>(b)</b> Multiplication amount	<b>(c)</b> Multiply (a) by (b)	<b>(d)</b> Subtraction amount	<b>Tax.</b> Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least \$100,000 but not over \$174,400	\$	× 28% (.28)	\$	\$ 6,383.00	\$
Over \$174,400 but not over \$379,150	\$	× 33% (.33)	\$	\$ 15,103.00	\$
Over \$379,150	\$	× 35% (.35)	\$	\$22,686.00	\$

**Section B**—Use if your filing status is **Married filing jointly** or **Qualifying widow(er)**. Complete the row below that applies to you.

<b>Taxable income.</b> If line 43 is—	<b>(a)</b> Enter the amount from line 43	<b>(b)</b> Multiplication amount	<b>(c)</b> Multiply (a) by (b)	<b>(d)</b> Subtraction amount	<b>Tax.</b> Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least \$100,000 but not over \$139,350	\$	× 25% (.25)	\$	\$ 7,750.00	\$
Over \$139,350 but not over \$212,300	\$	× 28% (.28)	\$	\$ 11,930.50	\$
Over \$212,300 but not over \$379,150	\$	× 33% (.33)	\$	\$ 22,545.50	\$
Over \$379,150	\$	× 35% (.35)	\$	\$ 30,128.50	\$

**Section C**—Use if your filing status is **Married filing separately**. Complete the row below that applies to you.

<b>Taxable income.</b> If line 43 is—	<b>(a)</b> Enter the amount from line 43	<b>(b)</b> Multiplication amount	<b>(c)</b> Multiply (a) by (b)	<b>(d)</b> Subtraction amount	<b>Tax.</b> Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least \$100,000 but not over \$106,150	\$	× 28% (.28)	\$	\$ 5,965.25	\$
Over \$106,150 but not over \$189,575	\$	× 33% (.33)	\$	\$ 11,272.75	\$
Over \$189,575	\$	× 35% (.35)	\$	\$ 15,064.25	\$

**Section D**—Use if your filing status is **Head of household**. Complete the row below that applies to you.

<b>Taxable income.</b> If line 43 is—	<b>(a)</b> Enter the amount from line 43	<b>(b)</b> Multiplication amount	<b>(c)</b> Multiply (a) by (b)	<b>(d)</b> Subtraction amount	<b>Tax.</b> Subtract (d) from (c). Enter the result here and on Form 1040, line 44
At least \$100,000 but not over \$119,400	\$	× 25% (.25)	\$	\$ 5,232.50	\$
Over \$119,400 but not over \$193,350	\$	× 28% (.28)	\$	\$ 8,814.50	\$
Over \$193,350 but not over \$379,150	\$	× 33% (.33)	\$	\$ 18,482.00	\$
Over \$379,150	\$	× 35% (.35)	\$	\$ 26,065.00	\$

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# General Information

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## How To Avoid Common Mistakes

Mistakes can delay your refund or result in notices being sent to you.

- Make sure you entered the correct name and social security number (SSN) for each dependent you claim on line 6c. Check that each dependent's name and SSN agrees with his or her social security card. For each child under age 17 who is a qualifying child for the child tax credit, make sure you checked the box in line 6c, column (4).

- Check your math, especially for the child tax credit, earned income credit (EIC), taxable social security benefits, total income, itemized deductions or standard deduction, deduction for exemptions, taxable income, total tax, federal income tax withheld, and refund or amount you owe.

- Be sure you used the correct method to figure your tax. See the instructions for line 44.

- Be sure to enter your SSN in the space provided on page 1 of Form 1040. If you are married filing a joint or separate return, also enter your spouse's SSN. Be sure to enter your SSN in the space next to your name. Check that your name and SSN agree with your social security card.

- Make sure your name and address are correct. Enter your (and your spouse's) name in the same order as shown on your last return.

- If you live in an apartment, be sure to include your apartment number in your address.

- If you are taking the standard deduction, see the instructions for line 40 to be sure you entered the correct amount.

- If you received capital gain distributions but were not required to file Schedule D, make sure you checked the box on line 13.

- If you are taking the EIC, be sure you used the correct column of the EIC Table for your filing status and the number of children you have.

- Remember to sign and date Form 1040 and enter your occupation(s).

- Attach your Form(s) W-2 and other required forms and schedules. Put all forms and schedules in the proper order. See *Assemble Your Return*, earlier.

- If you owe tax and are paying by check or money order, be sure to include all the required information on your payment. See the instructions for line 76 for details.

- Do not file more than one original return for the same year, even if you have not gotten your refund or have not heard from the IRS since you filed. Filing more than

one original return for the same year, or sending in more than one copy of the same return (unless we ask you to do so), could delay your refund.

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## What Are Your Rights as a Taxpayer?

You have the right to be treated fairly, professionally, promptly, and courteously by IRS employees. Our goal at the IRS is to protect your rights so that you will have the highest confidence in the integrity, efficiency, and fairness of our tax system. To ensure that you always receive such treatment, you should know about the many rights you have at each step of the tax process. For details, see Pub. 1.

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## Innocent Spouse Relief

Generally, both you and your spouse are each responsible for paying the full amount of tax, interest, and penalties on your joint return. However, you may qualify for relief from liability for tax on a joint return if (a) there is an understatement of tax because your spouse omitted income or claimed false deductions or credits, (b) you are divorced, separated, or no longer living with your spouse, or (c) given all the facts and circumstances, it would not be fair to hold you liable for the tax. You may also qualify for relief if you were a married resident of a community property state but did not file a joint return and are now liable for an underpaid or understated tax. File Form 8857 to request relief. In some cases, Form 8857 may need to be filed within 2 years of the date on which the IRS first attempted to collect the tax from you. Do not file Form 8857 with your Form 1040. For more information, see Pub. 971 and Form 8857 or you can call the Innocent Spouse office toll-free at 1-866-897-4270.

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## Income Tax Withholding and Estimated Tax Payments for 2012

If the amount you owe or the amount you overpaid is large, you may want to file a new Form W-4 with your employer to change the amount of income tax withheld from your 2012 pay. For details on how to complete Form W-4, see Pub. 505. If you have pension or annuity income, use Form W-4P. If you receive certain government payments (such as unemployment compensation or social security benefits), you can

have tax withheld from those payments by giving the payer Form W-4V.



*You can use the IRS Withholding Calculator at [www.irs.gov/individuals](http://www.irs.gov/individuals), instead of Pub. 505 or the worksheets included with Form W-4 or W-4P, to determine whether you need to have your withholding increased or decreased.*

In general, you do not have to make estimated tax payments if you expect that your 2012 Form 1040 will show a tax refund or a tax balance due of less than \$1,000. If your total estimated tax for 2012 is \$1,000 or more, see Form 1040-ES. It has a worksheet you can use to see if you have to make estimated tax payments. For more details, see Pub. 505.

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## Secure Your Tax Records from Identity Theft

Identity theft occurs when someone uses your personal information, such as your name, social security number (SSN), or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, etc., contact the IRS Identity Protection Specialized Unit at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 4535.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the National Taxpayer Advocate helpline at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

**Protect yourself from suspicious emails or phishing schemes.** Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common form is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request detailed personal information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward the message to [phishing@irs.gov](mailto:phishing@irs.gov). You may also report misuse of the IRS name, logo, forms, or other IRS property to the Treasury Inspector General for Tax Administration toll-free at 1-800-366-4484 or TTY/TDD 1-800-877-8339. You can forward suspicious emails to the Federal Trade Commission at [spam@uce.gov](mailto:spam@uce.gov) or contact them at [www.ftc.gov/idtheft](http://www.ftc.gov/idtheft) or 1-877-IDTHEFT (1-877-438-4338) or TTY/TDD 1-866-653-4261.

Visit [IRS.gov](http://IRS.gov) and enter “identity theft” in the search box to learn more about identity theft and how to reduce your risk.

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## How Do You Make a Gift To Reduce Debt Held By the Public?

If you wish to do so, make a check payable to “Bureau of the Public Debt.” You can send it to: Bureau of the Public Debt, Department G, P.O. Box 2188, Parkersburg, WV 26106-2188. Or you can enclose the check with your income tax return when you file. Do not add your gift to any tax you may owe. See the instructions for line 76 for details on how to pay any tax you owe. Go to [www.publicdebt.treas.gov/](http://www.publicdebt.treas.gov/) for information on how to make this type of gift online.



*You may be able to deduct this gift on your 2012 tax return.*

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## How Long Should Records Be Kept?

Keep a copy of your tax return, worksheets you used, and records of all items appearing on it (such as Forms W-2 and 1099) until the statute of limitations runs out for that return. Usually, this is 3 years from the date the return was due or filed or 2 years from the date the tax was paid, whichever is later. You should keep some records

longer. For example, keep property records (including those on your home) as long as they are needed to figure the basis of the original or replacement property. For more details, see chapter 1 of Pub. 17.

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## Amended Return

File Form 1040X to change a return you already filed. Generally, Form 1040X must be filed within 3 years after the date the original return was filed or within 2 years after the date the tax was paid, whichever is later. But you may have more time to file Form 1040X if you live in a federally declared disaster area or you are physically or mentally unable to manage your financial affairs. See Pub. 556 for details.

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## Need a Copy of Your Tax Return?

If you need a copy of your tax return, use Form 4506. There is a \$57 fee (subject to change) for each return requested. If your main home, principal place of business, or tax records are located in a federally declared disaster area, this fee will be waived. If you want a free transcript of your tax return or account, use Form 4506-T or 4506T-EZ, visit [IRS.gov](http://IRS.gov) and click on “Order a Tax Return or Account Transcript,” or call us at 1-800-908-9946.

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## Death of a Taxpayer

If a taxpayer died before filing a return for 2011, the taxpayer’s spouse or personal representative may have to file and sign a return for that taxpayer. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer’s property. If the deceased taxpayer did not have to file a return but had tax withheld, a return must be filed to get a refund. The person who files the return must enter “Deceased,” the deceased taxpayer’s name, and the date of death across the top of the return. If this information is not provided, it may delay the processing of the return.

If your spouse died in 2011 and you did not remarry in 2011, or if your spouse died in 2012 before filing a return for 2011, you can file a joint return. A joint return should show your spouse’s 2011 income before death and your income for all of 2011. Enter “Filing as surviving spouse” in the area where you sign the return. If someone else is the personal representative, he or she must also sign.

The surviving spouse or personal representative should promptly notify all payers of income, including financial institutions, of the taxpayer’s death. This will ensure the proper reporting of income earned by the taxpayer’s estate or heirs. A deceased

taxpayer’s social security number should not be used for tax years after the year of death, except for estate tax return purposes.

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## Claiming a Refund for a Deceased Taxpayer

If you are filing a joint return as a surviving spouse, you only need to file the tax return to claim the refund. If you are a court-appointed representative, file the return and include a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer’s refund must file the return and attach Form 1310.

For more details, use TeleTax topic 356 or see Pub. 559.

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## Past Due Returns

If you or someone you know needs to file past due tax returns, use TeleTax topic 153 or go to [www.irs.gov/individuals](http://www.irs.gov/individuals) for help in filing those returns. Send the return to the address that applies to you in the latest Form 1040 instructions. For example, if you are filing a 2008 return in 2012, use the address at the end of these instructions. However, if you got an IRS notice, mail the return to the address in the notice.

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## Other Ways To Get Help

### Send Your Written Tax Questions to the IRS

You should get an answer in about 30 days. For the mailing address, call us at 1-800-829-1040 (hearing impaired customers with access to TTY/TDD equipment may call 1-800-829-4059). Do not send questions with your return.

### Research Your Tax Questions Online

You can find answers to many of your tax questions online. Go to [www.irs.gov/individuals](http://www.irs.gov/individuals). Here are some of the methods you may want to try.

- Frequently asked questions. This section contains an extensive list of questions and answers. You can select your question by category or keyword.
- Tax trails. This is an interactive section which asks questions you can answer by selecting “Yes” or “No.”
- Main index of tax topics. This is an online version of the TeleTax topics.
- Interactive Tax Assistant (ITA). The ITA provides answers to a limited number of tax law questions using a probe and response process.

### Free Tax Return Assistance

**Free help with your return.** If you need assistance preparing your return, visit the nearest Volunteer Income Tax Assistance

(VITA) or Tax Counseling for the Elderly (TCE) site in your community. There are over 12,000 sites nationwide and each site is staffed by volunteers who are trained and certified to prepare federal income tax returns. VITA sites are also available at international and domestic military installations.

Volunteers in this program must adhere to strict quality and ethical standards and pass a certification test each year. VITA volunteers assist low to moderate income (generally under \$50,000 in adjusted gross income) taxpayers and TCE volunteers assist elderly taxpayers (age 60 and older).

**Available services.** Free electronic filing is offered and volunteers will help you claim the earned income credit, child tax credit, credit for the elderly, and other credits and deductions you can take.

**What to bring.** These are some of the items to bring to the VITA/TCE site to have your tax return prepared.

- Proof of identification.
- Social security cards for you, your spouse and dependents and/or a social security number verification letter issued by the Social Security Administration.
- Individual taxpayer identification number (ITIN) assignment letter for you, your spouse and dependents.
- Proof of foreign status, if applying for an ITIN.
- Birth dates for you, your spouse, and any dependents.
- Form(s) W-2, W-2G, 1099-INT, 1099-DIV, and 1099-R.
- A copy of your 2010 federal and state returns, if available.
- A blank check or anything that shows your bank routing and account numbers for direct deposit.
- Total paid to daycare provider and the daycare provider's tax identification number (the provider's social security number or the provider's business employer identification number).
- To file taxes electronically on a joint return, both spouses must be present to sign the required forms.

**Find a site near you and get additional information.** For more information on these programs and a location in your community, go to [IRS.gov](http://IRS.gov) and enter keyword "VITA" in the search box. You may also contact us at 1-800-829-1040. To locate the nearest AARP Tax-Aide site, visit AARP's website at [www.aarp.org/money/taxaide](http://www.aarp.org/money/taxaide) or call 1-888-227-7669.

## Everyday Tax Solutions

You can get face-to-face help solving tax problems every business day in IRS Taxpayer Assistance Centers. An employee

can explain IRS letters, request adjustments to your account, or help you set up a payment plan. Call your local Taxpayer Assistance Center for an appointment. To find the number, go to [www.irs.gov/localcontacts](http://www.irs.gov/localcontacts) or look in the phone book under "United States Government, Internal Revenue Service."

## IRS Videos

The IRS Video portal [www.IRSvideos.gov](http://www.IRSvideos.gov) contains video and audio presentations on topics of interest to small businesses, individuals, and tax professionals. You will find video clips of tax topics, archived versions of live panel discussions and Webinars, and audio archives of tax practitioner phone forums.

## Help for People With Disabilities

Telephone help is available using TTY/TDD equipment by calling 1-800-829-4059. Braille materials are available at libraries that have special services for people with disabilities.

## Tax Services in Other Languages

To better serve taxpayers whose native language is not English, we have products and services in various languages.

For Spanish speaking taxpayers, we have:

- Spanish Publication 17, El Impuesto Federal sobre los Ingresos, and
- [www.irs.gov/espanol](http://www.irs.gov/espanol).

We also offer a Basic Tax Responsibilities CD/DVD in the following languages.

- Spanish.
- Chinese.
- Vietnamese.
- Korean.
- Russian.

To get a copy of this CD/DVD, call the National Distribution Center at 1-800-829-3676 and ask for Pub. 4580 in your language.



*The IRS Taxpayer Assistance Centers provide over-the-phone interpreter assistance in more than 170 different languages.*

*To find the number, see Everyday Tax Solutions above.*

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## Interest and Penalties

You do not have to figure the amount of any interest or penalties you may owe. Because figuring these amounts can be complicated, we will do it for you if you want. We will send you a bill for any amount due.

If you include interest or penalties (other than the estimated tax penalty) with your payment, identify and enter the amount in the bottom margin of Form 1040, page 2. Do not include interest or penalties (other than the estimated tax penalty) in the amount you owe on line 76.

## Interest

We will charge you interest on taxes not paid by their due date, even if an extension of time to file is granted. We will also charge you interest on penalties imposed for failure to file, negligence, fraud, substantial valuation misstatements, substantial understatements of tax, and reportable transaction understatements. Interest is charged on the penalty from the due date of the return (including extensions).

## Penalties

**Late filing.** If you do not file your return by the due date (including extensions), the penalty is usually 5% of the amount due for each month or part of a month your return is late, unless you have a reasonable explanation. If you do, include it with your return. The penalty can be as much as 25% of the tax due. The penalty is 15% per month, up to a maximum of 75%, if the failure to file is fraudulent. If your return is more than 60 days late, the minimum penalty will be \$135 or the amount of any tax you owe, whichever is smaller.

**Late payment of tax.** If you pay your taxes late, the penalty is usually ½ of 1% of the unpaid amount for each month or part of a month the tax is not paid. The penalty can be as much as 25% of the unpaid amount. It applies to any unpaid tax on the return. This penalty is in addition to interest charges on late payments.

**Frivolous return.** In addition to any other penalties, the law imposes a penalty of \$5,000 for filing a frivolous return. A frivolous return is one that does not contain information needed to figure the correct tax or shows a substantially incorrect tax because you take a frivolous position or desire to delay or interfere with the tax laws. This includes altering or striking out the preprinted language above the space where you sign. For a list of positions identified as frivolous, see Notice 2010-33, 2010-17 I.R.B. 609, available at [www.irs.gov/irb/2010-17\\_IRB/ar13.html](http://www.irs.gov/irb/2010-17_IRB/ar13.html).

**Other.** Other penalties can be imposed for negligence, substantial understatement of tax, reportable transaction understatements, filing an erroneous refund claim, and fraud. Criminal penalties may be imposed for willful failure to file, tax evasion, or making a false statement. See Pub. 17 for details on some of these penalties.

# Refund Information

## where's my refund?

You can go online to check the status of your refund 72 hours after IRS acknowledges receipt of your e-filed return, or 3 to 4 weeks after you mail a paper return. But if you filed Form 5405, 8379, or 8839 with your return, allow 14 weeks (11 weeks if you filed electronically) before checking your refund status.



Go to IRS.gov and click on *Where's My Refund*. Have a copy of your tax return handy. You will need to provide the following information from your return:

- Your social security number (or individual taxpayer identification number),

- Your filing status, and
- The exact whole dollar amount of your refund.



*Refunds are sent out weekly on Fridays. If you check the status of your refund and are not given the date it will be issued, please wait until the next week before checking back.*



If you do not have Internet access, you have two options:

- You can check the status of your refund on the new IRS phone app. Download the free IRS2Go app by

visiting the iTunes app store or the Android Marketplace. IRS2Go is a new way to provide you with information and tools.

- You can call 1-800-829-4477 24 hours a day, 7 days a week, for automated refund information.

Do not send in a copy of your return unless asked to do so.

To get a refund, you generally must file your return within 3 years from the date the return was due (including extensions).

Refund information also is available in Spanish at [www.irs.gov/espanol](http://www.irs.gov/espanol) and the phone number listed above.

## What Is TeleTax?

### Recorded Tax Information

Recorded tax information is available 24 hours a day, 7 days a week. Select the number of the topic you want to hear. Then, call 1-800-829-4477. Have paper and pencil handy to take notes.

### Topics by Internet

TeleTax topics are also available at [www.irs.gov/taxtopics](http://www.irs.gov/taxtopics).

### TeleTax Topics

All topics are available in Spanish.

Topic No.	Subject
<b>IRS Help Available</b>	
101	IRS services— Volunteer tax assistance, toll-free telephone, walk-in assistance, and outreach programs
102	Tax assistance for individuals with disabilities and the hearing impaired
103	Tax help for small businesses and self-employed
104	Taxpayer Advocate Service—Your voice at the IRS
105	Armed Forces tax information
107	Tax relief in disaster situations
<b>IRS Procedures</b>	
151	Your appeal rights
152	Refund information

Topic No.	Subject
153	What to do if you haven't filed your tax return
154	Form W-2 and Form 1099-R (What to do if incorrect or not received)
155	Forms and publications—How to order
156	Copy of your tax return—How to get one
157	Change of address—How to notify IRS
158	Ensuring proper credit of payments
159	Prior year(s) Form W-2 (How to get a copy)
160	Form 1099-A (Acquisition or Abandonment of Secured Property) and Form 1099-C (Cancellation of Debt)
<b>Collection</b>	
201	The collection process
202	Tax payment options

Topic No.	Subject
203	Refund offsets: For unpaid child support and certain federal, state, and unemployment compensation debts
204	Offers in compromise
205	Innocent spouse relief (Including separation of liability and equitable relief)
206	Dishonored payments
<b>Alternative Filing Methods</b>	
253	Substitute tax forms
254	How to choose a tax return preparer
255	Self-select PIN signature method for online registration
<b>General Information</b>	
301	When, where, and how to file
303	Checklist of common errors when preparing your tax return
304	Extension of time to file your tax return
305	Recordkeeping

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## TeleTax Topics

(Continued)

Topic No.	Subject
306	Penalty for underpayment of estimated tax
307	Backup withholding
308	Amended returns
309	Roth IRA contributions
310	Coverdell education savings accounts
311	Power of attorney information
312	Disclosure authorizations
313	Qualified tuition programs (QTPs)
<b>Which Forms to File</b>	
352	Which form—1040, 1040A, or 1040EZ?
356	Decedents
<b>Types of Income</b>	
401	Wages and salaries
403	Interest received
404	Dividends
407	Business income
409	Capital gains and losses
410	Pensions and annuities
411	Pensions—The general rule and the simplified method
412	Lump-sum distributions
413	Rollovers from retirement plans
414	Rental income and expenses
415	Renting residential and vacation property
416	Farming and fishing income
417	Earnings for clergy
418	Unemployment compensation
419	Gambling income and expenses
420	Bartering income
421	Scholarship and fellowship grants
423	Social security and equivalent railroad retirement benefits
424	401(k) plans
425	Passive activities—Losses and credits
427	Stock options
429	Traders in securities (information for Form 1040 filers)
430	Exchange of policyholder interest for stock
431	Canceled debt—Is it Income or Not?
<b>Adjustments to Income</b>	
451	Individual retirement arrangements (IRAs)
452	Alimony paid
453	Bad debt deduction
455	Moving expenses
456	Student loan interest deduction
457	Tuition and fees deduction
458	Educator expense deduction
<b>Itemized Deductions</b>	
501	Should I itemize?

Topic No.	Subject
502	Medical and dental expenses
503	Deductible taxes
504	Home mortgage points
505	Interest expense
506	Charitable contributions
508	Miscellaneous expenses
509	Business use of home
510	Business use of car
511	Business travel expenses
512	Business entertainment expenses
513	Educational expenses
514	Employee business expenses
515	Casualty, disaster, and theft losses (including federally declared disaster areas)
<b>Tax Computation</b>	
551	Standard deduction
552	Tax and credits figured by the IRS
553	Tax on a child's investment income
554	Self-employment tax
556	Alternative minimum tax
557	Tax on early distributions from traditional and Roth IRAs
558	Tax on early distributions from retirement plans, other than IRAs
<b>Tax Credits</b>	
601	Earned income credit (EIC)
602	Child and dependent care credit
607	Adoption credit and adoption assistance programs for 2010 and 2011
608	Excess social security and RRTA tax withheld
610	Retirement savings contributions credit
611	First-time homebuyer credit—Purchases made in 2008
612	First-time homebuyer credit—Purchases made in 2009, 2010, and 2011
<b>IRS Notices</b>	
651	Notices—What to do
652	Notice of underreported income—CP 2000
653	IRS notices and bills, penalties, and interest charges
<b>Basis of Assets, Depreciation, and Sale of Assets</b>	
701	Sale of your home
703	Basis of assets
704	Depreciation
705	Installment sales
<b>Employer Tax Information</b>	
751	Social security and Medicare withholding rates

Topic No.	Subject
752	Form W-2—Where, when, and how to file
753	Form W-4—Employee's Withholding Allowance Certificate
755	Employer identification number (EIN)—How to apply
756	Employment taxes for household employees
757	Forms 941 and 944—Deposit requirements
758	Form 941—Employer's Quarterly Federal Tax Return and Form 944—Employer's Annual Federal Tax Return
759	A business credit is available for qualified employers under The Hire Act of 2010
761	Tips—Withholding and reporting
762	Independent contractor vs. employee
763	The Affordable Care Act of 2010 offers employers new tax deductions and credits
<b>Electronic Media Filers—1099 Series and Related Information Returns</b>	
801	Who must file electronically
802	Applications, forms, and information
803	Waivers and extensions
804	Test files and combined federal and state filing
805	Electronic filing of information returns
<b>Tax Information for Aliens and U.S. Citizens Living Abroad</b>	
851	Resident and nonresident aliens
856	Foreign tax credit
857	Individual taxpayer identification number (ITIN)—Form W-7
858	Alien tax clearance
<b>Tax Information for Residents of Puerto Rico</b>	
901	Is a person with income from Puerto Rican sources required to file a U.S. federal income tax return?
902	Credits and deductions for taxpayers with Puerto Rican source income that is exempt from U.S. tax
903	Federal employment tax in Puerto Rico
904	Tax assistance for residents of Puerto Rico
<hr/> <b>Topic numbers are effective January 1, 2012.</b> <hr/>	

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# Calling the IRS

If you cannot find the answer to your question in these instructions or online, please call us for assistance. See *Making the Call* below. You will not be charged for the call unless your phone company charges you for toll-free calls. Our normal hours of operation are Monday through Friday from 7:00 a.m. to 10:00 p.m. local time. Assistance provided to callers from Alaska and Hawaii will be based on the hours of operation in the Pacific time zone.



*If you want to check the status of your 2011 refund, see Refund Information, earlier.*

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## Before You Call

IRS representatives care about the quality of the service provided to you, our customer. You can help us provide accurate, complete answers to your questions by having the following information available.

- The tax form, schedule, or notice to which your question relates.
- The facts about your particular situation. The answer to the same question often varies from one taxpayer to another because of differences in their age, income, whether they can be claimed as a dependent, etc.
- The name of any IRS publication or other source of information that you used to look for the answer.

To maintain your account security, you may be asked for the following information, which you should also have available.

- Your social security number.
- The amount of refund and filing status shown on your tax return.
- The “Caller ID Number” shown at the top of any notice you received.

- Your personal identification number (PIN) if you have one.
- Your date of birth.
- The numbers in your street address.
- Your ZIP code.

If you are asking for an installment agreement to pay your tax, you will be asked for the highest amount you can pay each month and the date on which you can pay it.

**Evaluation of services provided.** The IRS uses several methods to evaluate our telephone service. One method is to record telephone calls for quality purposes only. A random sample of recorded calls is selected for review through the quality assurance process. Other methods include listening to live calls in progress and random selection of customers for participation in a customer satisfaction survey.

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## Making the Call

Call 1-800-829-1040 (hearing impaired customers with TTY/TDD equipment may

call 1-800-829-4059). Our menu allows you to speak your responses or use your keypad to select a menu option. After receiving your menu selection, the system will direct your call to the appropriate assistance.

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## Before You Hang Up

If you do not fully understand the answer you receive, or you feel our representative may not fully understand your question, our representative needs to know this. He or she will be happy to take additional time to be sure your question is answered fully.

By law, you are responsible for paying your share of federal income tax. If we should make an error in answering your question, you are still responsible for the payment of the correct tax. Should this occur, however, you will not be charged any penalty.

# Quick and Easy Access to Tax Help and Tax Forms and Publications



If you live outside the United States, see Pub. 54 to find out how to get help and tax forms and publications.



## Internet

You can access IRS.gov 24 hours a day, 7 days a week.

**Online services and help.** Go to IRS.gov to obtain information on:

- **Free File**—Use free tax software to prepare and e-file your tax return at [www.irs.gov/freefile](http://www.irs.gov/freefile).
- **Interactive Tax Assistant**—Provides answers to tax law questions using a probe and response process.
- **Online Services**—Conduct business with the IRS electronically.
- **Taxpayer Advocate Service**—Helps taxpayers resolve problems with the IRS.
- **Where's My Refund**—Your refund status anytime from anywhere.
- **Free Tax Return Preparation**—Locate the site nearest you.
- **Recent Tax Changes**
- **Tax information for Innocent Spouses**
- **Disaster Tax Relief**
- **Identity Theft and Your Tax Records**
- **Online Payment Agreement (OPA) Application**
- **Applying for Offers in Compromise**

**View and download tax forms and publications.** Click on “Forms & Pubs” or go to [www.irs.gov/formspubs](http://www.irs.gov/formspubs) to:

- View or download current and previous year tax forms and publications.
- Order current year tax forms and publications online.

**Online ordering of tax forms and publications.** To order tax forms and publications delivered by mail, go to [www.irs.gov/formspubs](http://www.irs.gov/formspubs).

- For current year tax forms and publications, click on “Forms and publications by U.S. mail.”
- For tax forms and publications on a DVD, click on “Tax products DVD (Pub. 1796).”



To get information, forms, and publications in Spanish, go to [www.irs.gov/espanol](http://www.irs.gov/espanol).



## Phone

**TeleTax information - 24 hour tax information.** Call 1-800-829-4477. See the earlier list of tax topic numbers and details.

**Tax forms and publications.** Call 1-800-TAX-FORM (1-800-829-3676) to order current and prior year forms, instructions, and publications. You should receive your order within 10 working days.

**Tax help and questions.** Call 1-800-829-1040.

**Hearing Impaired TTY/TDD.** Call 1-800-829-4059.

**National Taxpayer Advocate helpline.** Call 1-877-777-4778.



## Walk-In

You can pick up some of the most requested forms, instructions, and publications at many IRS offices, post offices, and libraries. Also, some grocery stores, copy centers, city and county government offices, and credit unions

have reproducible tax forms and publications available to photocopy or print from a DVD.



## Mail

You can order forms, instructions, and publications by completing the order blank, later. You should receive your order within 10 days after we receive your request.



## DVD

Buy IRS Pub. 1796, IRS Tax Products DVD, from National Technical Information Service (NTIS) at [www.irs.gov/cdorders](http://www.irs.gov/cdorders) for \$30 (no handling fee) or call 1-877-233-6767 toll-free to buy the DVD for \$30 (plus a \$6 handling fee). Price and handling fee are subject to change. The first release will ship early January 2012 and the final release will ship early March 2012.

**Other ways to get help.** See *Other Ways To Get Help*, earlier.

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## Disclosure, Privacy Act, and Paperwork Reduction Act Notice

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The IRS Restructuring and Reform Act of 1998, the Privacy Act of 1974, and the Paperwork Reduction Act of 1980 require that when we ask you for information we must first tell you our legal right to ask for the information, why we are asking for it, and how it will be used. We must also tell you what could happen if we do not receive it and whether your response is voluntary, required to obtain a benefit, or mandatory under the law.

This notice applies to all papers you file with us, including this tax return. It also applies to any questions we need to ask you so we can complete, correct, or process your return; figure your tax; and collect tax, interest, or penalties.

Our legal right to ask for information is Internal Revenue Code sections 6001, 6011, and 6012(a), and their regulations. They say that you must file a return or statement with us for any tax you are liable for. Your response is mandatory under these sections. Code section 6109 requires you to provide your identifying number on the return. This is so we know who you are, and can process your return and other papers. You must fill in all parts of the tax form that apply to you. But you do not have to check the boxes for the Presidential Election Campaign Fund or for the third-party designee. You also do not have to provide your daytime phone number.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law.

We ask for tax return information to carry out the tax laws of the United States. We need it to figure and collect the right amount of tax.

If you do not file a return, do not provide the information we ask for, or provide fraudulent information, you may be charged penalties and be subject to criminal prosecution. We may also have to disallow the exemptions, exclusions, credits, deductions, or adjustments shown on the tax return. This could make the tax higher or delay any refund. Interest may also be charged.

Generally, tax returns and return information are confidential, as stated in Code section 6103. However, Code section 6103 allows or requires the Internal Revenue Service to disclose or give the information shown on your tax return to others as described in the Code. For example, we may disclose your tax information to the Department of Justice to enforce the tax laws, both civil and criminal, and to cities, states, the District of Columbia, and U.S. commonwealths or possessions to carry out their tax laws. We may disclose your tax information to the Department of Treasury and contractors for tax administration purposes; and to other persons as necessary to obtain information needed to determine the amount of or to collect the tax you owe. We may disclose your tax information to the Comptroller General of the United States to permit the Comptroller General to review the Internal Revenue Service. We may disclose your tax information to committees of Congress; federal, state, and local child support agencies; and to other federal agencies for the purposes of determining entitlement for benefits or the eligibility for and the repayment of loans. We may also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

Please keep this notice with your records. It may help you if we ask you for other information. If you have questions about the rules for filing and giving information, please call or visit any Internal Revenue Service office.

### We Welcome Comments on Forms

We try to create forms and instructions that can be easily understood. Often this is difficult to do because our tax laws are very complex. For some people with income mostly from wages, filling in the forms is easy. For others who have businesses, pensions, stocks, rental income, or other investments, it is more difficult.

If you have suggestions for making these forms simpler, we would be happy to hear from you. You can email us at [taxforms@irs.gov](mailto:taxforms@irs.gov). Please put "Forms Comment" on the subject line. You can also send us comments from [www.irs.gov/formspubs/](http://www.irs.gov/formspubs/). Select "Comment on Tax Forms and Publications" under "Information About." Or you can write to Internal Revenue Service, Individual and Specialty Forms and Publications Branch, SE:W:CAR:MP:T:I, 1111 Constitution Ave. NW, IR-6526, Washington, DC 20224. Do not send your return to this address. Instead, see the addresses at the end of these instructions.

Although we cannot respond individually to each comment received, we do appreciate your feedback and will consider your comments as we revise our tax forms and instructions.

## Estimates of Taxpayer Burden

The table below shows burden estimates based on current statutory requirements as of October 21, 2011, for taxpayers filing a 2011 Form 1040, 1040A, or 1040EZ tax return. Time spent and out-of-pocket costs are presented separately. Time burden is broken out by taxpayer activity, with recordkeeping representing the largest component. Out-of-pocket costs include any expenses incurred by taxpayers to prepare and submit their tax returns. Examples include tax return preparation and submission fees, postage and photocopying costs, and tax preparation software costs. While these estimates do not include burden associated with post-filing activities, IRS operational data indicate that electronically prepared and filed returns have

fewer arithmetic errors, implying lower post-filing burden.

Reported time and cost burdens are national averages and do not necessarily reflect a “typical” case. Most taxpayers experience lower than average burden, with taxpayer burden varying considerably by taxpayer type. For instance, the estimated average time burden for all taxpayers filing a Form 1040, 1040A, or 1040EZ is 18 hours, with an average cost of \$230 per return. This average includes all associated forms and schedules, across all preparation methods and taxpayer activities. The average burden for taxpayers filing Form 1040 is about 22 hours and \$290; the average burden for taxpayers filing Form 1040A is about 10 hours and \$120; and the average for Form 1040EZ filers is about 7 hours and \$50.

Within each of these estimates there is significant variation in taxpayer activity. For example, nonbusiness taxpayers are expected to have an average burden of about 12 hours and \$150, while business taxpayers are expected to have an average burden of about 32 hours and \$410. Similarly, tax preparation fees and other out-of-pocket costs vary extensively depending on the tax situation of the taxpayer, the type of software or professional preparer used, and the geographic location.

If you have comments concerning the time and cost estimates below, you can contact us at either one of the addresses shown under *We Welcome Comments on Forms*.

## Estimated Average Taxpayer Burden for Individuals by Activity

Primary Form Filed or Type of Taxpayer	Percentage of Returns	Average Time Burden (Hours)						Average Cost (Dollars)**
		Total Time*	Record Keeping	Tax Planning	Form Completion	Form Submission	All Other	
All taxpayers . . . . .	100	18	8	2	4	1	3	\$230
Primary forms filed								
1040 . . . . .	68	22	10	3	4	1	3	290
1040A . . . . .	19	10	4	1	3	1	2	120
1040EZ . . . . .	13	7	2	1	2	1	1	50
Type of taxpayer								
Nonbusiness*** . . . . .	70	12	5	2	3	1	2	150
Business*** . . . . .	30	32	16	4	6	1	4	410

\*Detail may not add to total time due to rounding.

\*\*Dollars rounded to the nearest \$10.

\*\*\*You are considered a “business” filer if you file one or more of the following with Form 1040: Schedule C, C-EZ, E, or F or Form 2106 or 2106-EZ. You are considered a “nonbusiness” filer if you did not file any of those schedules or forms with Form 1040 or if you file Form 1040A or 1040EZ.

# Order Form for Forms and Publications

The most frequently ordered forms and publications are listed on the order form below. You will receive two copies of each form, one copy of the instructions, and one copy of each publication you order. To help reduce waste, please order only the items you need to prepare your return.



For faster ways of getting the items you need, go to [www.irs.gov/formspubs](http://www.irs.gov/formspubs).

## How To Use the Order Form

Circle the items you need on the order form below. Use the blank spaces to order items not listed. If you need more spaces, attach a separate sheet of paper.

Print or type your name and address accurately in the space provided below to ensure delivery of your order. Enclose the order form in an envelope and mail it to the IRS address shown on this page. You should receive your order within 10 days after receipt of your request.

**Do not send your tax return to the address shown on this page.** Instead, see the last page of these instructions.

### Mail Your Order Form To:

Internal Revenue Service  
1201 N. Mitsubishi Motorway  
Bloomington, IL 61705-6613

▲ Cut here ▲

### Save Money and Time by Going Online!

Download or order these and other tax products at [www.irs.gov/formspubs](http://www.irs.gov/formspubs)

## Order Form

Please Print

Name	
Postal mailing address	Apt./Suite/Room
City	State ZIP code
Foreign country	International postal code
Daytime phone number (       )	

Circle the forms and publications you need. The instructions for any form you order will be included.

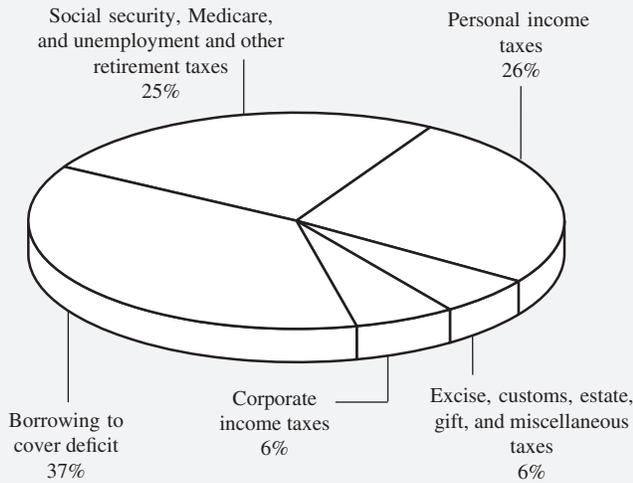
Use the **blank spaces** to order items not listed.

1040	Schedule F (1040)	1040X	5405	Pub. 1	Pub. 526	Pub. 583	Pub. 4681
Schedule A (1040)	Schedule H (1040)	2106	6251	Pub. 17	Pub. 527	Pub. 587	
Schedule B (1040A or 1040)	Schedule J (1040)	2441	8283	Pub. 334	Pub. 529	Pub. 590	
Schedule C (1040)	Schedule R (1040A or 1040)	3903	8606	Pub. 463	Pub. 535	Pub. 596	
Schedule C-EZ (1040)	Schedule SE (1040)	4506	8812	Pub. 501	Pub. 547	Pub. 910	
Schedule D (1040)	1040A	4506-T	8822	Pub. 502	Pub. 550	Pub. 915	
8949	1040EZ	4562	8829	Pub. 505	Pub. 551	Pub. 946	
Schedule E (1040)	1040-ES (2012)	4684	8863	Pub. 523	Pub. 554	Pub. 970	
Schedule EIC (1040A or 1040)	1040-V	4868	8917	Pub. 525	Pub. 575	Pub. 972	

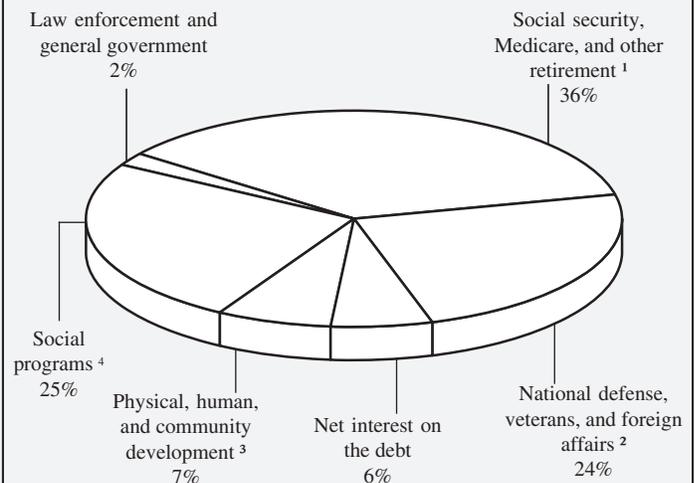
# Major Categories of Federal Income and Outlays for Fiscal Year 2010

**Income and Outlays.** These pie charts show the relative sizes of the major categories of federal income and outlays for fiscal year 2010.

## Income



## Outlays



On or before the first Monday in February of each year the President is required by law to submit to the Congress a budget proposal for the fiscal year that begins the following October. The budget plan sets forth the President's proposed receipts, spending, and the surplus or deficit for the Federal government. The plan includes recommendations for new legislation as well as recommendations to change, eliminate, and add programs. After receipt of the President's proposal, the Congress reviews the proposal and makes changes. It first passes a budget resolution setting its own targets for receipts, outlays, and surplus or deficit. Next, individual spending and revenue bills that are consistent with the goals of the budget resolution are enacted.

In fiscal year 2010 (which began on October 1, 2009, and ended on September 30, 2010), Federal income was \$2,163 billion

and outlays were \$3,456 billion, leaving a deficit of \$1,293 billion.

### Footnotes for Certain Federal Outlays

**1. Social security, Medicare, and other retirement:** These programs provide income support for the retired and disabled and medical care for the elderly.

**2. National defense, veterans, and foreign affairs:** About 20% of outlays were to equip, modernize, and pay our armed forces and to fund national defense activities; about 3% were for veterans benefits and services; and about 1% were for international activities, including military and economic assistance to foreign countries and the maintenance of U.S. embassies abroad.

**3. Physical, human, and community development:** These outlays were for agriculture; natural resources; environment; transportation; aid for elementary and secondary education and direct assistance to college students; job training; deposit insurance, commerce and housing credit, and community development; and space, energy, and general science programs.

**4. Social programs:** About 16% of total outlays were for Medicaid, food stamps, temporary assistance for needy families, supplemental security income, and related programs; and the remaining outlays were for health research and public health programs, unemployment compensation, assisted housing, and social services.

**Note.** The percentages shown here exclude undistributed offsetting receipts, which were \$82 billion in fiscal year 2010. In the budget, these receipts are offset against spending in figuring the outlay totals shown above. These receipts are for the U.S. Government's share of its employee retirement programs, rents and royalties on the Outer Continental Shelf, and proceeds from the sale of assets.

# 2011 Tax Rate Schedules



The Tax Rate Schedules are shown so you can see the tax rate that applies to all levels of taxable income. Do not use them to figure your tax. Instead, see the instructions for line 44.

## Schedule X—If your filing status is **Single**

If your taxable income is:		The tax is:	
Over—	But not over—		of the amount over—
\$0	\$8,500	10%	\$0
8,500	34,500	\$850.00 + 15%	8,500
34,500	83,600	4,750.00 + 25%	34,500
83,600	174,400	17,025.00 + 28%	83,600
174,400	379,150	42,449.00 + 33%	174,400
379,150	-----	110,016.50 + 35%	379,150

## Schedule Y-1—If your filing status is **Married filing jointly** or **Qualifying widow(er)**

If your taxable income is:		The tax is:	
Over—	But not over—		of the amount over—
\$0	\$17,000	10%	\$0
17,000	69,000	\$1,700.00 + 15%	17,000
69,000	139,350	9,500.00 + 25%	69,000
139,350	212,300	27,087.50 + 28%	139,350
212,300	379,150	47,513.50 + 33%	212,300
379,150	-----	102,574.00 + 35%	379,150

## Schedule Y-2—If your filing status is **Married filing separately**

If your taxable income is:		The tax is:	
Over—	But not over—		of the amount over—
\$0	\$8,500	10%	\$0
8,500	34,500	\$850.00 + 15%	8,500
34,500	69,675	4,750.00 + 25%	34,500
69,675	106,150	13,543.75 + 28%	69,675
106,150	189,575	23,756.75 + 33%	106,150
189,575	-----	51,287.00 + 35%	189,575

## Schedule Z—If your filing status is **Head of household**

If your taxable income is:		The tax is:	
Over—	But not over—		of the amount over—
\$0	\$12,150	10%	\$0
12,150	46,250	\$1,215.00 + 15%	12,150
46,250	119,400	6,330.00 + 25%	46,250
119,400	193,350	24,617.50 + 28%	119,400
193,350	379,150	45,323.50 + 33%	193,350
379,150	-----	106,637.50 + 35%	379,150



# 2011 Instructions for Schedule A (Form 1040)

## Itemized Deductions

Use Schedule A (Form 1040) to figure your itemized deductions. In most cases, your federal income tax will be less if you take the larger of your itemized deductions or your standard deduction.

If you itemize, you can deduct a part of your medical and dental expenses and unreimbursed employee business expenses, and amounts you paid for certain taxes, interest, contributions, and miscellaneous expenses. You can also deduct certain casualty and theft losses.

If you and your spouse paid expenses jointly and are filing separate returns for 2011, see Pub. 504 to figure the portion of joint expenses that you can claim as itemized deductions.



*Do not include on Schedule A items deducted elsewhere, such as on Form 1040 or Schedule C, C-EZ, E, or F.*

Section references are to the Internal Revenue Code unless otherwise noted.

### What's New

**Standard mileage rates.** The rate for use of your vehicle to get medical care from January 1, 2011 through June 30, 2011 is 19 cents a mile and from July 1, 2011 through December 31, 2011 is 23.5 cents a mile. The 2011 rate for use of your vehicle to do volunteer work for certain charitable organizations remains at 14 cents a mile.

**Future developments.** For the latest information about Schedule A (Form 1040) and its instructions, including any developments after these instructions were released, go to [www.irs.gov/form1040](http://www.irs.gov/form1040).

### Medical and Dental Expenses

You can deduct only the part of your medical and dental expenses that exceeds 7.5% of the amount on Form 1040, line 38.

Pub. 502 discusses the types of expenses you can and cannot deduct. It also explains when you can deduct capital expenses and special care expenses for disabled persons.



*If you received a distribution from a health savings account or a medical savings account in 2011, see Pub. 969 to figure your deduction.*

### Examples of Medical and Dental Payments You Can Deduct

To the extent you were not reimbursed, you can deduct what you paid for:

- Insurance premiums for medical and dental care, including premiums for qualified long-term care insurance contracts as defined in Pub. 502. But see *Limit on long-term care premiums you can deduct*, later. Reduce the insurance premiums by any self-employed health insurance deduction you claimed on Form 1040, line 29. You cannot deduct insurance premiums paid with pretax dollars because the premiums are not included in box 1 of your Form(s) W-2. If you are a retired public safety officer, you cannot deduct any premiums you paid to the extent they were paid for with a tax-free distribution from your retirement plan.



*If, during 2011, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA (ATAA) recipient, reemployment TAA (RTAA) recipient, or Pension Benefit Guaranty Corporation (PBGC) pension recipient, you must reduce your insurance premiums by any amounts used to figure the health coverage tax credit. See the instructions for line 1.*

- Prescription medicines or insulin.
- Acupuncturists, chiropractors, dentists, eye doctors, medical doctors, occupational therapists, osteopathic doctors, physical therapists, podiatrists, psychiatrists, psychoanalysts (medical care only), and psychologists.
- Medical examinations, X-ray and laboratory services, insulin treatment, and whirlpool baths your doctor ordered.

- Diagnostic tests, such as a full-body scan, pregnancy test, or blood sugar test kit.
- Nursing help (including your share of the employment taxes paid). If you paid someone to do both nursing and housework, you can deduct only the cost of the nursing help.
- Hospital care (including meals and lodging), clinic costs, and lab fees.
- Qualified long-term care services (see Pub. 502).
- The supplemental part of Medicare insurance (Medicare B).
- The premiums you pay for Medicare Part D insurance.
- A program to stop smoking and for prescription medicines to alleviate nicotine withdrawal.
- A weight-loss program as treatment for a specific disease (including obesity) diagnosed by a doctor.
- Medical treatment at a center for drug or alcohol addiction.
- Medical aids such as eyeglasses, contact lenses, hearing aids, braces, crutches, wheelchairs, and guide dogs, including the cost of maintaining them.
- Surgery to improve defective vision, such as laser eye surgery or radial keratotomy.
- Lodging expenses (but not meals) while away from home to receive medical care in a hospital or a medical care facility related to a hospital, provided there was no significant element of personal pleasure, recreation, or vacation in the travel. Do not deduct more than \$50 a night for each eligible person.
- Ambulance service and other travel costs to get medical care. If you used your own car, you can claim what you spent for gas and oil to go to and from the place you received the care; or you can claim 19 cents

a mile (23.5 cents a mile after June 30, 2011). Add parking and tolls to the amount you claim under either method.

- Cost of breast pumps and supplies that assist lactation.

**Deceased taxpayer.** Certain medical expenses paid out of a deceased taxpayer's estate can be claimed on the deceased taxpayer's final return. See Pub. 502 for details.

**Limit on long-term care premiums you can deduct.** The amount you can deduct for qualified long-term care insurance contracts (as defined in Pub. 502) depends on the age, at the end of 2011, of the person for whom the premiums were paid. See the chart below for details.

IF the person was, at the end of 2011, age . . .	THEN the most you can deduct is . . .
40 or under	\$ 340
41–50	\$ 640
51–60	\$ 1,270
61–70	\$ 3,390
71 or older	\$ 4,240

## Examples of Medical and Dental Payments You Cannot Deduct

- The cost of diet food.
- Cosmetic surgery unless it was necessary to improve a deformity related to a congenital abnormality, an injury from an accident or trauma, or a disfiguring disease.
- Life insurance or income protection policies.
- The Medicare tax on your wages and tips or the Medicare tax paid as part of the self-employment tax or household employment taxes.

**TIP** *If you were age 65 or older but not entitled to social security benefits, you can deduct premiums you voluntarily paid for Medicare A coverage.*

- Nursing care for a healthy baby. But you may be able to take a credit for the amount you paid. See the instructions for Form 1040, line 48.
- Illegal operations or drugs.
- Imported drugs not approved by the U.S. Food and Drug Administration (FDA). This includes foreign-made versions of U.S.-approved drugs manufactured without FDA approval.
- Nonprescription medicines (including nicotine gum and certain nicotine patches).
- Travel your doctor told you to take for rest or a change.
- Funeral, burial, or cremation costs.

## Line 1

### Medical and Dental Expenses

Enter the total of your medical and dental expenses, after you reduce these expenses by any payments received from insurance or other sources. See *Reimbursements*, later.



*Do not forget to include insurance premiums you paid for medical and dental care. But if you claimed the self-employed health insurance deduction on Form 1040, line 29, reduce the premiums by the amount on line 29.*



*If, during 2011, you were an eligible trade adjustment assistance (TAA) recipient, alternative TAA (ATAA) recipient, reemployment TAA (RTAA) recipient, or Pension Benefit Guaranty Corporation (PBGC) pension recipient, you must complete Form 8885 before completing Schedule A, line 1. When figuring the amount of insurance premiums you can deduct on Schedule A, do not include:*

- Any amounts you included on Form 8885, line 4,
- Any qualified health insurance premiums you paid to "U.S. Treasury—HCTC," or
- Any health coverage tax credit advance payments shown in box 1 and any additional credit reported in the box to the left of box 8 of Form 1099-H.

**Whose medical and dental expenses can you include?** You can include medical and dental bills you paid for anyone who was one of the following either when the services were provided or when you paid for them.

- Yourself and your spouse.
- All dependents you claim on your return.
- Your child whom you do not claim as a dependent because of the rules for children of divorced or separated parents.
- Any person you could have claimed as a dependent on your return except that person received \$3,700 or more of gross income or filed a joint return.
- Any person you could have claimed as a dependent except that you, or your spouse if filing jointly, can be claimed as a dependent on someone else's 2011 return.

**Example.** You provided over half of your mother's support but cannot claim her as a dependent because she received wages of \$3,700 in 2011. You can include on line 1 any medical and dental expenses you paid in 2011 for your mother.

**Insurance premiums for certain nondependents.** You may have a medical or dental insurance policy that also covers an individual who is not your dependent

(for example, a nondependent child under age 27). You cannot deduct any premiums attributable to this individual, unless they are such a person described under *Whose medical and dental expenses can you include*, earlier. However, if you had family coverage when you added this individual to your policy and your premiums did not increase, you can enter on line 1 the full amount of your medical and dental insurance premiums. See Pub. 502 for more information.

**Reimbursements.** If your insurance company paid the provider directly for part of your expenses, and you paid only the amount that remained, include on line 1 only the amount you paid. If you received a reimbursement in 2011 for medical or dental expenses you paid in 2011, reduce your 2011 expenses by this amount. If you received a reimbursement in 2011 for prior year medical or dental expenses, do not reduce your 2011 expenses by this amount. But if you deducted the expenses in the earlier year and the deduction reduced your tax, you must include the reimbursement in income on Form 1040, line 21. See Pub. 502 for details on how to figure the amount to include.

**Cafeteria plans.** Do not include on line 1 insurance premiums paid by an employer-sponsored health insurance plan (cafeteria plan) unless the premiums are included in box 1 of your Form(s) W-2. Also, do not include any other medical and dental expenses paid by the plan unless the amount paid is included in box 1 of your Form(s) W-2.

## Taxes You Paid

### Taxes You Cannot Deduct

- Federal income and most excise taxes.
- Social security, Medicare, federal unemployment (FUTA), and railroad retirement (RRTA) taxes.
- Customs duties.
- Federal estate and gift taxes. But see the instructions for line 28.
- Certain state and local taxes, including: tax on gasoline, car inspection fees, assessments for sidewalks or other improvements to your property, tax you paid for someone else, and license fees (marriage, driver's, dog, etc.).

## Line 5



*You can elect to deduct state and local general sales taxes instead of state and local income taxes. You cannot deduct both.*

## State and Local Income Taxes

If you elect to deduct state and local income taxes, you **must** check **box a** on line 5. Include on this line the state and local income taxes listed below.

- State and local income taxes withheld from your salary during 2011. Your Form(s) W-2 will show these amounts. Forms W-2G, 1099-G, 1099-R, and 1099-MISC may also show state and local income taxes withheld.

- State and local income taxes paid in 2011 for a prior year, such as taxes paid with your 2010 state or local income tax return. Do not include penalties or interest.

- State and local estimated tax payments made during 2011, including any part of a prior year refund that you chose to have credited to your 2011 state or local income taxes.

- Mandatory contributions you made to the California, New Jersey, or New York Nonoccupational Disability Benefit Fund, Rhode Island Temporary Disability Benefit Fund, or Washington State Supplemental Workmen's Compensation Fund.

- Mandatory contributions to the Alaska, California, New Jersey, or Pennsylvania state unemployment fund.

- Mandatory contributions to state family leave programs, such as the New Jersey Family Leave Insurance (FLI) program and the California Paid Family Leave program.

Do not reduce your deduction by any:

- State or local income tax refund or credit you expect to receive for 2011, or

- Refund of, or credit for, prior year state and local income taxes you actually received in 2011. Instead, see the instructions for Form 1040, line 10.

## State and Local General Sales Taxes

If you elect to deduct state and local general sales taxes, you **must** check **box b** on line 5. To figure your deduction, you can use either your actual expenses or the optional sales tax tables.

### Actual Expenses

Generally, you can deduct the actual state and local general sales taxes (including compensating use taxes) you paid in 2011 if the tax rate was the same as the general sales tax rate. However, sales taxes on food, clothing, medical supplies, and motor vehicles are deductible as a general sales tax even if the tax rate was less than the general sales tax rate. If you paid sales tax on a motor vehicle at a rate higher than the general sales tax rate, you can deduct only the amount of tax that you would have paid at the general sales tax rate on that vehicle. Motor vehicles include cars, motorcycles, motor homes, recreational vehicles, sport utility vehicles, trucks, vans, and off-road vehicles. Also include any state and local general sales taxes paid for a leased motor

vehicle. Do not include sales taxes paid on items used in your trade or business.



*You must keep your actual receipts showing general sales taxes paid to use this method.*

**Refund of general sales taxes.** If you received a refund of state or local general sales taxes in 2011 for amounts paid in 2011, reduce your **actual** 2011 state and local general sales taxes by this amount. If you received a refund of state or local general sales taxes in 2011 for prior year purchases, do not reduce your 2011 state and local general sales taxes by this amount. But if you deducted your **actual** state and local general sales taxes in the earlier year and the deduction reduced your tax, you may have to include the refund in income on Form 1040, line 21. See *Recoveries* in Pub. 525 for details.

### Optional Sales Tax Tables

Instead of using your actual expenses, you can use the 2011 Optional State and Certain Local Sales Tax Table and the 2011 Optional Local Sales Tax Tables for Certain Local Jurisdictions at the end of these instructions to figure your state and local general sales tax deduction. You may also be able to add the state and local general sales taxes paid on certain specified items.

To figure your state and local general sales tax deduction using the tables, complete the State and Local General Sales Tax Deduction Worksheet or use the Sales Tax Deduction Calculator on the IRS website. To use the Sales Tax Deduction Calculator, go to IRS.gov and enter "sales tax deduction calculator" in the search box.



*If your filing status is married filing separately, both you and your spouse elect to deduct sales taxes, and your spouse elects to use the optional sales tax tables, you also must use the tables to figure your state and local general sales tax deduction.*

### Instructions for the State and Local General Sales Tax Deduction Worksheet

**Line 1.** If you lived in the same state for all of 2011, enter the applicable amount, based on your 2011 income and exemptions, from the 2011 Optional State and Certain Local Sales Tax Table for your state. Read down the "At least–But less than" columns for your state and find the line that includes your 2011 income. If married filing separately, do not include your spouse's income. Your 2011 income is the amount shown on your Form 1040, line 38, **plus** any nontaxable items, such as the following.

- Tax-exempt interest.
- Veterans' benefits.
- Nontaxable combat pay.
- Workers' compensation.
- Nontaxable part of social security and railroad retirement benefits.

- Nontaxable part of IRA, pension, or annuity distributions. Do not include rollovers.

- Public assistance payments.

The exemptions column refers to the number of exemptions claimed on Form 1040, line 6d.

**What if you lived in more than one state?** If you lived in more than one state during 2011, look up the table amount for each state using the above rules. If there is no table for your state, the table amount is considered to be zero. Multiply the table amount for each state you lived in by a fraction. The numerator of the fraction is the number of days you lived in the state during 2011 and the denominator is the total number of days in the year (365). Enter the total of the prorated table amounts for each state on line 1. However, if you also lived in a locality during 2011 that imposed a local general sales tax, do not enter the total on line 1. Instead, complete a separate worksheet for each state you lived in and enter the prorated amount for that state on line 1.

**Example.** You lived in State A from January 1 through August 31, 2011 (243 days), and in State B from September 1 through December 31, 2011 (122 days). The table amount for State A is \$500. The table amount for State B is \$400. You would figure your state general sales tax as follows.

State A:	$\$500 \times 243/365 =$	\$333
State B:	$\$400 \times 122/365 =$	<u>134</u>
Total		= \$467

If none of the localities in which you lived during 2011 imposed a local general sales tax, enter \$467 on line 1 of your worksheet. Otherwise, complete a separate worksheet for State A and State B. Enter \$333 on line 1 of the State A worksheet and \$134 on line 1 of the State B worksheet.

**Line 2.** If you checked the "No" box, enter -0- on line 2, and go to line 3. If you checked the "Yes" box and lived in the same locality for all of 2011, enter the applicable amount, based on your 2011 income and exemptions, from the 2011 Optional Local Sales Tax Tables for Certain Local Jurisdictions for your locality. Read down the "At least–But less than" columns for your locality and find the line that includes your 2011 income. See the instructions for line 1 of the worksheet to figure your 2011 income. The exemptions column refers to the number of exemptions claimed on Form 1040, line 6d.

**What if you lived in more than one locality?** If you lived in more than one locality during 2011, look up the table amount for each locality using the above rules. If there is no table for your locality, the table amount is considered to be zero. Multiply the table amount for each locality you lived in by a fraction. The numerator of the fraction is the number of days you lived in the locality during 2011 and the denominator is the total number of days in the year (365).



Locality 1:	$\$100 \times 243/365 =$	$\$ 67$
Locality 2:	$\$150 \times 122/365 =$	$\underline{\quad 50}$
Total		$= \$117$

**Line 3.** If you lived in California, check the “No” box if your combined state and local general sales tax rate is 7.7459%. Otherwise, check the “Yes” box and include on line 3 only the part of the combined rate that is more than 7.7459%.

If you lived in Nevada, check the “No” box if your combined state and local general sales tax rate is 6.8500%. Otherwise, check the “Yes” box and include on line 3 only the part of the combined rate that is more than 6.8500%.

**What if your local general sales tax rate changed during 2011?** If you checked the “Yes” box and your local general sales tax rate changed during 2011, figure the rate to enter on line 3 as follows. Multiply each tax rate for the period it was in effect by a fraction. The numerator of the fraction is the number of days the rate was in effect during 2011 and the denominator is the total number of days in the year (365). Enter the total of the prorated tax rates on line 3.

**Example.** Locality 1 imposed a 1% local general sales tax from January 1 through September 30, 2011 (273 days). The rate increased to 1.75% for the period from October 1 through December 31, 2011 (92 days). You would enter “1.189” on line 3, figured as follows.

January 1 –		
September 30:	$1.00 \times 273/365 =$	$0.748$
October 1 –		
December 31:	$1.75 \times 92/365 =$	$\underline{0.441}$
Total		$= 1.189$

**What if you lived in more than one locality in the same state during 2011?** Complete a separate worksheet for lines 2 through 6 for each locality in your state if you lived in more than one locality in the same state during 2011 and either of the following applies.

- Each locality did not have the same local general sales tax rate.
- You lived in Los Angeles County, CA.

To figure the amount to enter on line 3 of the worksheet for each locality in which you lived (except a locality for which you used the 2011 Optional Local Sales Tax Tables for Certain Local Jurisdictions to figure your local general sales tax deduction), multiply the local general sales tax rate by a fraction. The numerator of the fraction is the number of days you lived in the locality during 2011 and the denominator is the total number of days in the year (365).

**Example.** You lived in Locality 1 from January 1 through August 31, 2011 (243 days), and in Locality 2 from September 1 through December 31, 2011 (122 days). The local general sales tax rate for Locality 1 is 1%. The rate for Locality 2 is 1.75%. You would enter “0.666” on line 3 for the

Locality 1 worksheet and “0.585” for the Locality 2 worksheet, figured as follows.

Locality 1:	$1.00 \times 243/365 =$	$0.666$
Locality 2:	$1.75 \times 122/365 =$	$0.585$

**Line 6.** If you lived in more than one locality in the same state during 2011, you should have completed line 1 only on the first worksheet for that state and separate worksheets for lines 2 through 6 for any other locality within that state in which you lived during 2011. If you checked the “Yes” box on line 6 of any of those worksheets, multiply line 5 of that worksheet by the amount that you entered on line 1 for that state on the first worksheet.

**Line 7.** Enter on line 7 any state and local general sales taxes paid on the following specified items. If you are completing more than one worksheet, include the total for line 7 on only one of the worksheets.

1. A motor vehicle (including a car, motorcycle, motor home, recreational vehicle, sport utility vehicle, truck, van, and off-road vehicle). Also include any state and local general sales taxes paid for a leased motor vehicle. If the state sales tax rate on these items is higher than the general sales tax rate, only include the amount of tax you would have paid at the general sales tax rate.

2. An aircraft or boat, if the tax rate was the same as the general sales tax rate.

3. A home (including a mobile home or prefabricated home) or substantial addition to or major renovation of a home, but only if the tax rate was the same as the general sales tax rate and any of the following applies.

a. Your state or locality imposes a general sales tax directly on the sale of a home or on the cost of a substantial addition or major renovation.

b. You purchased the materials to build a home or substantial addition or to perform a major renovation and paid the sales tax directly.

c. Under your state law, your contractor is considered your agent in the construction of the home or substantial addition or the performance of a major renovation. The contract must state that the contractor is authorized to act in your name and must follow your directions on construction decisions. In this case, you will be considered to have purchased any items subject to a sales tax and to have paid the sales tax directly.

Do not include sales taxes paid on items used in your trade or business. If you received a refund of state or local general sales taxes in 2011, see *Refund of general sales taxes*, earlier.

## Line 6

### Real Estate Taxes



*If you are a homeowner who received assistance under a State Housing Finance Agency Hardest Hit Fund program or an Emergency Homeowners’ Loan program, see Pub. 530 for the amount you can deduct on line 6.*

Include taxes (state, local, or foreign) you paid on real estate you own that was not used for business, but only if the taxes are based on the assessed value of the property. Also, the assessment must be made uniformly on property throughout the community, and the proceeds must be used for general community or governmental purposes. Pub. 530 explains the deductions homeowners can take.

Do not include the following amounts on line 6.

- Itemized charges for services to specific property or persons (for example, a \$20 monthly charge per house for trash collection, a \$5 charge for every 1,000 gallons of water consumed, or a flat charge for mowing a lawn that had grown higher than permitted under a local ordinance).

- Charges for improvements that tend to increase the value of your property (for example, an assessment to build a new sidewalk). The cost of a property improvement is added to the basis of the property. However, a charge is deductible if it is used only to maintain an existing public facility in service (for example, a charge to repair an existing sidewalk, and any interest included in that charge).

If your mortgage payments include your real estate taxes, you can deduct only the amount the mortgage company actually paid to the taxing authority in 2011.

If you sold your home in 2011, any real estate tax charged to the buyer should be shown on your settlement statement and in box 5 of any Form 1099-S you received. This amount is considered a refund of real estate taxes. See *Refunds and rebates* below. Any real estate taxes you paid at closing should be shown on your settlement statement.



*You must look at your real estate tax bill to decide if any non-deductible itemized charges, such as those listed above, are included in the bill. If your taxing authority (or lender) does not furnish you a copy of your real estate tax bill, ask for it.*

**Refunds and rebates.** If you received a refund or rebate in 2011 of real estate taxes you paid in 2011, reduce your deduction by the amount of the refund or rebate. If you received a refund or rebate in 2011 of real estate taxes you paid in an earlier year, do not reduce your deduction by this amount. Instead, you must include the refund or rebate in income on Form 1040, line 21, if

you deducted the real estate taxes in the earlier year and the deduction reduced your tax. See *Recoveries* in Pub. 525 for details on how to figure the amount to include in income.

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## Line 7

### Personal Property Taxes

Enter the state and local personal property taxes you paid, but only if the taxes were based on value alone and were imposed on a yearly basis.

**Example.** You paid a yearly fee for the registration of your car. Part of the fee was based on the car's value and part was based on its weight. You can deduct only the part of the fee that was based on the car's value.

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## Line 8

### Other Taxes

If you had any deductible tax not listed on line 5, 6, or 7, list the type and amount of tax. Enter only one total on line 8. Include on this line income tax you paid to a foreign country or U.S. possession.



*You may want to take a credit for the foreign tax instead of a deduction. See the instructions for Form 1040, line 47, for details.*

tails.

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## Interest You Paid

Whether your interest expense is treated as investment interest, personal interest, or business interest depends on how and when you used the loan proceeds. See Pub. 535 for details.

In general, if you paid interest in 2011 that applies to any period after 2011, you can deduct only amounts that apply for 2011.

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## Lines 10 and 11

### Home Mortgage Interest



*If you are a homeowner who received assistance under a State Housing Finance Agency Hardest Hit Fund program or an Emergency Homeowners' Loan program, see Pub. 530 for the amount you can deduct on line 10 or 11.*

A home mortgage is any loan that is secured by your main home or second home. It includes first and second mortgages, home equity loans, and refinanced mortgages.

A home can be a house, condominium, cooperative, mobile home, boat, or similar property. It must provide basic living ac-

commodations including sleeping space, toilet, and cooking facilities.

**Limit on home mortgage interest.** If you took out any mortgages after October 13, 1987, your deduction may be limited. Any additional amounts borrowed after October 13, 1987, on a line-of-credit mortgage you had on that date are treated as a mortgage taken out after October 13, 1987. If you refinanced a mortgage you had on October 13, 1987, treat the new mortgage as taken out on or before October 13, 1987. But if you refinanced for more than the balance of the old mortgage, treat the excess as a mortgage taken out after October 13, 1987.

See Pub. 936 to figure your deduction if either (1) or (2) below applies. If you had more than one home at the same time, the dollar amounts in (1) and (2) apply to the total mortgages on both homes.

1. You took out any mortgages after October 13, 1987, and used the proceeds for purposes other than to buy, build, or improve your home, and all of these mortgages totaled over \$100,000 at any time during 2011. The limit is \$50,000 if married filing separately. An example of this type of mortgage is a home equity loan used to pay off credit card bills, buy a car, or pay tuition.

2. You took out any mortgages after October 13, 1987, and used the proceeds to buy, build, or improve your home, and these mortgages plus any mortgages you took out on or before October 13, 1987, totaled over \$1 million at any time during 2011. The limit is \$500,000 if married filing separately.



*If the total amount of all mortgages is more than the fair market value of the home, additional limits apply. See*

*Pub. 936.*

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## Line 10

Enter on line 10 mortgage interest and points reported to you on Form 1098 under your social security number (SSN). If this form shows any refund of overpaid interest, do not reduce your deduction by the refund. Instead, see the instructions for Form 1040, line 21. If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage, and the interest was reported on Form 1098 under the other person's SSN, report your share of the interest on line 11 (as explained in the line 11 instructions).

If you paid more interest to the recipient than is shown on Form 1098, see Pub. 936 to find out if you can deduct the additional interest. If you can, attach a statement explaining the difference and enter "See attached" to the right of line 10.



*If you are claiming the mortgage interest credit (for holders of qualified mortgage credit certificates issued by state or local governmental units or agencies), sub-*

*tract the amount shown on Form 8396, line 3, from the total deductible interest you paid on your home mortgage. Enter the result on line 10.*

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## Line 11

If you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 11.

If you bought your home from the recipient, be sure to show that recipient's name, identifying number, and address on the dotted lines next to line 11. If the recipient is an individual, the identifying number is his or her social security number (SSN). Otherwise, it is the employer identification number. You must also let the recipient know your SSN. If you do not show the required information about the recipient or let the recipient know your SSN, you may have to pay a \$50 penalty.

If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage, and the other person received the Form 1098, attach a statement to your return showing the name and address of that person. To the right of line 11, enter "See attached."

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## Line 12

### Points Not Reported on Form 1098

Points are shown on your settlement statement. Points you paid only to borrow money are generally deductible over the life of the loan. See Pub. 936 to figure the amount you can deduct. Points paid for other purposes, such as for a lender's services, are not deductible.

**Refinancing.** Generally, you must deduct points you paid to refinance a mortgage over the life of the loan. This is true even if the new mortgage is secured by your main home.

If you used part of the proceeds to improve your main home, you may be able to deduct the part of the points related to the improvement in the year paid. See Pub. 936 for details.



*If you paid off a mortgage early, deduct any remaining points in the year you paid off the mortgage. However, if you refinanced your mortgage with the same lender, see Mortgage ending early in Pub. 936 for an exception.*

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## Line 13

### Mortgage Insurance Premiums

Enter the qualified mortgage insurance premiums you paid under a mortgage insurance contract issued after December 31, 2006, in connection with home acquisition debt that was secured by your first or sec-

ond home. Box 4 of Form 1098 may show the amount of premiums you paid in 2011. If you and at least one other person (other than your spouse if filing jointly) were liable for and paid the premiums in connection with the loan, and the premiums were reported on Form 1098 under the other person's SSN, report your share of the premiums on line 13. See *Prepaid mortgage insurance premiums* below if you paid any premiums allocable to any period after 2011.

Qualified mortgage insurance is mortgage insurance provided by the Department of Veterans Affairs, the Federal Housing Administration, or the Rural Housing Service (or their successor organizations), and private mortgage insurance (as defined in section 2 of the Homeowners Protection Act of 1998 as in effect on December 20, 2006).

Mortgage insurance provided by the Department of Veterans Affairs and the Rural Housing Service is commonly known as a funding fee and guarantee fee respectively. These fees can be deducted fully in 2011 if the mortgage insurance contract was issued in 2011. Contact the mortgage insurance issuer to determine the deductible amount if it is not included in box 4 of Form 1098.

**Prepaid mortgage insurance premiums.** If you paid qualified mortgage insurance premiums that are allocable to periods after 2011, you must allocate them over the shorter of:

- The stated term of the mortgage, or
- 84 months, beginning with the month the insurance was obtained.

The premiums are treated as paid in the year to which they are allocated. If the

mortgage is satisfied before its term, no deduction is allowed for the unamortized balance. See Pub. 936 for details.

The allocation rules, explained earlier, do not apply to qualified mortgage insurance provided by the Department of Veterans Affairs or the Rural Housing Service (or their successor organizations).

**Limit on amount you can deduct.** You cannot deduct your mortgage insurance premiums if the amount on Form 1040, line 38, is more than \$109,000 (\$54,500 if married filing separately). If the amount on Form 1040, line 38, is more than \$100,000 (\$50,000 if married filing separately), your deduction is limited and you must use the Mortgage Insurance Premiums Deduction Worksheet to figure your deduction.

## Line 14 Investment Interest

Investment interest is interest paid on money you borrowed that is allocable to property held for investment. It does not include any interest allocable to passive activities or to securities that generate tax-exempt income.

Complete and attach Form 4952 to figure your deduction.

**Exception.** You do not have to file Form 4952 if all three of the following apply.

1. Your investment interest expense is not more than your investment income from interest and ordinary dividends minus any qualified dividends.

2. You have no other deductible investment expenses.

3. You have no disallowed investment interest expense from 2010.



*Alaska Permanent Fund dividends, including those reported on Form 8814, are not investment income.*

For more details, see Pub. 550.

## Gifts to Charity

You can deduct contributions or gifts you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals. Certain whaling captains may be able to deduct expenses paid in 2011 for Native Alaskan subsistence bowhead whale hunting activities. See Pub. 526 for details.

To verify an organization's charitable status, you can:

- Check with the organization to which you made the donation. The organization should be able to provide you with verification of its charitable status.
- See Pub. 78 for a list of most qualified organizations. You can access Pub. 78 at [www.irs.gov/charities](http://www.irs.gov/charities) under *Search for Charities*.
- Call our Tax Exempt/Government Entities Customer Account Services at 1-877-829-5500.

## Mortgage Insurance Premiums Deduction Worksheet—Line 13

Keep for Your Records



**Before you begin:** ✓ See the instructions for line 13 to see if you must use this worksheet to figure your deduction.

<p>1. Enter the total premiums you paid in 2011 for qualified mortgage insurance for a contract issued after December 31, 2006 . . . . .</p> <p>2. Enter the amount from Form 1040, line 38 . . . . .</p> <p>3. Enter \$100,000 (\$50,000 if married filing separately) . . . . .</p> <p>4. Is the amount on line 2 more than the amount on line 3?  <input type="checkbox"/> <b>No.</b> Your deduction is not limited. Enter the amount from line 1 above on Schedule A, line 13. <b>Do not</b> complete the rest of this worksheet.  <input type="checkbox"/> <b>Yes.</b> Subtract line 3 from line 2. If the result is not a multiple of \$1,000 (\$500 if married filing separately), increase it to the next multiple of \$1,000 (\$500 if married filing separately). For example, increase \$425 to \$1,000, increase \$2,025 to \$3,000; or if married filing separately, increase \$425 to \$500, increase \$2,025 to \$2,500, etc. . . . .</p> <p>5. Divide line 4 by \$10,000 (\$5,000 if married filing separately). Enter the result as a decimal. If the result is 1.0 or more, enter 1.0 . . . . .</p> <p>6. Multiply line 1 by line 5 . . . . .</p> <p>7. <b>Mortgage insurance premiums deduction.</b> Subtract line 6 from line 1. Enter the result here and on Schedule A, line 13 . . . . .</p>	<p>1. _____</p> <p>2. _____</p> <p>3. _____</p> <p>4. _____</p> <p>5. _____</p> <p>6. _____</p> <p>7. _____</p>
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## Examples of Qualified Charitable Organizations

- Churches, mosques, synagogues, temples, etc.
- Boy Scouts, Boys and Girls Clubs of America, CARE, Girl Scouts, Goodwill Industries, Red Cross, Salvation Army, United Way, etc.
- Fraternal orders, if the gifts will be used for the purposes listed under *Gifts to Charity*, earlier.
- Veterans' and certain cultural groups.
- Nonprofit schools, hospitals, and organizations whose purpose is to find a cure for, or help people who have, arthritis, asthma, birth defects, cancer, cerebral palsy, cystic fibrosis, diabetes, heart disease, hemophilia, mental illness or retardation, multiple sclerosis, muscular dystrophy, tuberculosis, etc.
- Federal, state, and local governments if the gifts are solely for public purposes.

## Contributions You Can Deduct

Contributions can be in cash, property, or out-of-pocket expenses you paid to do volunteer work for the kinds of organizations described earlier. If you drove to and from the volunteer work, you can take the actual cost of gas and oil or 14 cents a mile. Add parking and tolls to the amount you claim under either method. But do not deduct any amounts that were repaid to you.

**Gifts from which you benefit.** If you made a gift and received a benefit in return, such as food, entertainment, or merchandise, you can generally only deduct the amount that is more than the value of the benefit. But this rule does not apply to certain membership benefits provided in return for an annual payment of \$75 or less or to certain items or benefits of token value. For details, see Pub. 526.

**Example.** You paid \$70 to a charitable organization to attend a fund-raising dinner and the value of the dinner was \$40. You can deduct only \$30.

**Gifts of \$250 or more.** You can deduct a gift of \$250 or more only if you have a statement from the charitable organization showing the information in (1) and (2) next.

1. The amount of any money contributed and a description (but not value) of any property donated.
2. Whether the organization did or did not give you any goods or services in return for your contribution. If you did receive any goods or services, a description and estimate of the value must be included. If you received only intangible religious benefits (such as admission to a religious ceremony), the organization must state this, but it does not have to describe or value the benefit.

In figuring whether a gift is \$250 or more, do not combine separate donations.

For example, if you gave your church \$25 each week for a total of \$1,300, treat each \$25 payment as a separate gift. If you made donations through payroll deductions, treat each deduction from each paycheck as a separate gift. See Pub. 526 if you made a separate gift of \$250 or more through payroll deduction.



*You must get the statement by the date you file your return or the due date (including extensions) for filing your return, whichever is earlier. Do not attach the statement to your return. Instead, keep it for your records.*

**Limit on the amount you can deduct.** See Pub. 526 to figure the amount of your deduction if any of the following applies.

1. Your cash contributions or contributions of ordinary income property are more than 30% of the amount on Form 1040, line 38.
2. Your gifts of capital gain property are more than 20% of the amount on Form 1040, line 38.
3. You gave gifts of property that increased in value or gave gifts of the use of property.

## Contributions You Cannot Deduct

- Travel expenses (including meals and lodging) while away from home, unless there was no significant element of personal pleasure, recreation, or vacation in the travel.

- Political contributions.
- Dues, fees, or bills paid to country clubs, lodges, fraternal orders, or similar groups.
- Cost of raffle, bingo, or lottery tickets. But you may be able to deduct these expenses on line 28. See the instructions for line 28 for details.

- Cost of tuition. But you may be able to deduct this expense on line 21; or Form 1040, line 34; or take a credit for this expense (see Form 8863).

- Value of your time or services.
- Value of blood given to a blood bank.
- The transfer of a future interest in tangible personal property (generally, until the entire interest has been transferred).
- Gifts to individuals and groups that are run for personal profit.
- Gifts to foreign organizations. But you may be able to deduct gifts to certain U.S. organizations that transfer funds to foreign charities and certain Canadian, Israeli, and Mexican charities. See Pub. 526 for details.

- Gifts to organizations engaged in certain political activities that are of direct financial interest to your trade or business. See section 170(f)(9).

- Gifts to groups whose purpose is to lobby for changes in the laws.

- Gifts to civic leagues, social and sports clubs, labor unions, and chambers of commerce.

- Value of benefits received in connection with a contribution to a charitable organization. See Pub. 526 for exceptions.

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## Line 16

### Gifts by Cash or Check

Enter on line 16 the total gifts you made in cash or by check (including out-of-pocket expenses).

**Recordkeeping.** For any contribution made in cash, regardless of the amount, you must maintain as a record of the contribution a bank record (such as a canceled check or credit card statement) or a written record from the charity. The written record must include the name of the charity, date, and amount of the contribution. If you made contributions through payroll deduction, see Pub. 526 for information on the records you must keep. Do not attach the record to your tax return. Instead, keep it with your other tax records.

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## Line 17

### Other Than by Cash or Check

Enter your contributions of property. If you gave used items, such as clothing or furniture, deduct their fair market value at the time you gave them. Fair market value is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. For more details on determining the value of donated property, see Pub. 561.

If the amount of your deduction is more than \$500, you must complete and attach Form 8283. For this purpose, the "amount of your deduction" means your deduction before applying any income limits that could result in a carryover of contributions. If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you must also attach a statement from the charitable organization to your return. The organization may use Form 1098-C to provide the required information. If your total deduction is over \$5,000, you may also have to get appraisals of the values of the donated property. This amount is \$500 for certain contributions of clothing and household items (see below). See Form 8283 and its instructions for details.

**Contributions of clothing and household items.** A deduction for these contributions will be allowed only if the items are in good used condition or better. However, this rule does not apply to a contribution of any single item for which a deduction of more than \$500 is claimed and for which you include

a qualified appraisal and Form 8283 with your tax return.

**Recordkeeping.** If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization's name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:

- How you figured the property's value at the time you gave it. If the value was determined by an appraisal, keep a signed copy of the appraisal.
- The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its fair market value.
- How you figured your deduction if you chose to reduce your deduction for gifts of capital gain property.
- Any conditions attached to the gift.



*If your total deduction for gifts of property is over \$500, you gave less than your entire interest in the property, or you made a "qualified conservation contribution," your records should contain additional information. See Pub. 526 for details.*

## Line 18

### Carryover From Prior Year

Enter any carryover of contributions that you could not deduct in an earlier year because they exceeded your adjusted gross income limit. See Pub. 526 for details.

## Casualty and Theft Losses

### Line 20

Complete and attach Form 4684 to figure the amount of your loss to enter on line 20.

You may be able to deduct part or all of each loss caused by theft, vandalism, fire, storm, or similar causes; car, boat, and other accidents; and corrosive drywall. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution.

You can deduct personal casualty or theft losses only to the extent that:

1. The amount of each separate casualty or theft loss is more than \$100, and
2. The total amount of all losses during the year (reduced by the \$100 limit discussed in (1) above) is more than 10% of the amount on Form 1040, line 38.

**Corrosive drywall losses.** If you paid for repairs to your personal residence or household appliances because of corrosive drywall that was installed between 2001 and 2008, you may be able to deduct on line 20 those amounts paid. See Pub. 547 for details.

Use Schedule A, line 23, to deduct the costs of proving that you had a property loss. Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.

## Job Expenses and Certain Miscellaneous Deductions

You can deduct only the part of these expenses that exceeds 2% of the amount on Form 1040, line 38.

Pub. 529 discusses the types of expenses that can and cannot be deducted.

### Examples of Expenses You Cannot Deduct

- Political contributions.
- Legal expenses for personal matters that do not produce taxable income.
- Lost or misplaced cash or property.
- Expenses for meals during regular or extra work hours.
- The cost of entertaining friends.
- Commuting expenses. See Pub. 529 for the definition of commuting.
- Travel expenses for employment away from home if that period of employment exceeds 1 year. See Pub. 529 for an exception for certain federal employees.
- Travel as a form of education.
- Expenses of attending a seminar, convention, or similar meeting unless it is related to your employment.
- Club dues.
- Expenses of adopting a child. But you may be able to take a credit for adoption expenses. See Form 8839 for details.
- Fines and penalties.
- Expenses of producing tax-exempt income.

## Line 21

### Unreimbursed Employee Expenses

Enter the total ordinary and necessary job expenses you paid for which you were not reimbursed. (Amounts your employer included in box 1 of your Form W-2 are not considered reimbursements.)

An ordinary expense is one that is common and accepted in your field of trade, business, or profession. A necessary expense is one that is helpful and appropriate for your business. An expense does not

have to be required to be considered necessary.

But you must fill in and attach Form 2106 if either (1) or (2), next, applies.

1. You claim any travel, transportation, meal, or entertainment expenses for your job.
2. Your employer paid you for any of your job expenses that you would otherwise report on line 21.



*If you used your own vehicle, are using the standard mileage rate, and (2) above does not apply, you may be able to file Form 2106-EZ instead.*

If you do not have to file Form 2106 or 2106-EZ, list the type and amount of each expense on the dotted line next to line 21. If you need more space, attach a statement showing the type and amount of each expense. Enter the total of all these expenses on line 21.



*Do not include on line 21 any educator expenses you deducted on Form 1040, line 23.*

Examples of other expenses to include on line 21 are:

- Safety equipment, small tools, and supplies needed for your job.
- Uniforms required by your employer that are not suitable for ordinary wear.
- Protective clothing required in your work, such as hard hats, safety shoes, and glasses.
- Physical examinations required by your employer.
- Dues to professional organizations and chambers of commerce.
- Subscriptions to professional journals.
- Fees to employment agencies and other costs to look for a new job in your present occupation, even if you do not get a new job.
- Certain business use of part of your home. For details, including limits that apply, use TeleTax topic 509 (see the Form 1040 instructions) or see Pub. 587.
- Certain educational expenses. For details, use TeleTax topic 513 (see the Form 1040 instructions) or see Pub. 970. Reduce your educational expenses by any tuition and fees deduction you claimed on Form 1040, line 34.



*You may be able to take a credit for your educational expenses instead of a deduction. See Form 8863 for details.*

## Line 22

### Tax Preparation Fees

Enter the fees you paid for preparation of your tax return, including fees paid for filing your return electronically. If you paid

your tax by credit or debit card, include the convenience fee you were charged on line 23 instead of this line.

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## Line 23

### Other Expenses

Enter the total amount you paid to produce or collect taxable income and manage or protect property held for earning income. But do not include any personal expenses. List the type and amount of each expense on the dotted lines next to line 23. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 23.

Examples of expenses to include on line 23 are:

- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (for example, trust account) fees.
- Your share of the investment expenses of a regulated investment company.
- Certain losses on nonfederally insured deposits in an insolvent or bankrupt financial institution. For details, including limits that apply, see Pub. 529.
- Casualty and theft losses of property used in performing services as an employee from Form 4684, lines 32 and 38b, or Form 4797, line 18a.

- Deduction for repayment of amounts under a claim of right if \$3,000 or less.

- Convenience fee charged by the card processor for paying your income tax (including estimated tax payments) by credit or debit card. The deduction is claimed for the year in which the fee was charged to your card.

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## Other Miscellaneous Deductions

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### Line 28

Only the expenses listed next can be deducted on this line. List the type and amount of each expense on the dotted lines next to line 28. If you need more space, attach a statement showing the type and amount of each expense. Enter one total on line 28.

- Gambling losses (gambling losses include, but are not limited to, the cost of non-winning bingo, lottery, and raffle tickets), but only to the extent of gambling winnings reported on Form 1040, line 21.
- Casualty and theft losses of income-producing property from Form

4684, lines 32 and 38b, or Form 4797, line 18a.

- Loss from other activities from Schedule K-1 (Form 1065-B), box 2.
- Federal estate tax on income in respect of a decedent.
- Amortizable bond premium on bonds acquired before October 23, 1986.
- Deduction for repayment of amounts under a claim of right if over \$3,000. See Pub. 525 for details.
- Certain unrecovered investment in a pension.
- Impairment-related work expenses of a disabled person.

For more details, see Pub. 529.

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## Total Itemized Deductions

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### Line 30

If you elect to itemize for state tax or other purposes even though your itemized deductions are less than your standard deduction, check the box on line 30.

# 2011 Optional State and Certain Local Sales Tax Tables

Income	Exemptions						Exemptions						Exemptions						Exemptions						Exemptions							
	At least	But less than	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5
			<b>Alabama 4.0000%</b>						<b>Arizona 6.6000%</b>						<b>Arkansas 6.0000%</b>						<b>California<sup>1,2</sup> 7.7459%</b>						<b>Colorado 2.9000%</b>					
\$0	\$20,000	226	267	295	317	335	361	260	288	305	319	329	344	290	326	348	366	380	399	289	316	333	346	356	370	117	129	137	143	148	155	
20,000	30,000	333	392	432	464	490	527	429	473	502	524	541	566	464	521	557	584	607	637	479	522	550	571	588	612	182	201	213	223	230	240	
30,000	40,000	385	452	499	535	564	607	516	569	604	630	651	680	553	619	663	695	722	758	577	629	663	688	709	737	215	237	252	262	271	283	
40,000	50,000	428	503	554	593	626	673	591	652	691	721	745	778	626	704	753	790	820	862	662	722	761	790	813	845	243	268	284	296	306	320	
50,000	60,000	468	547	602	645	681	731	659	726	770	803	830	867	698	779	834	875	908	954	738	806	849	881	907	942	268	295	313	326	337	352	
60,000	70,000	500	587	646	691	730	783	721	795	843	879	908	948	757	848	907	952	988	1038	809	882	929	964	993	1032	291	320	339	353	365	381	
70,000	80,000	532	624	686	734	775	832	779	859	911	950	982	1025	815	913	976	1025	1064	1118	875	955	1005	1043	1074	1116	312	343	364	379	391	409	
80,000	90,000	562	658	723	774	816	876	834	919	974	1016	1050	1096	868	973	1041	1092	1133	1191	937	1022	1076	1117	1150	1195	332	365	386	403	416	434	
90,000	100,000	589	689	757	811	855	918	885	976	1035	1079	1115	1164	919	1029	1101	1155	1199	1260	996	1086	1144	1187	1222	1269	350	385	408	425	439	458	
100,000	120,000	625	731	803	859	906	972	953	1051	1114	1162	1200	1253	985	1104	1181	1239	1286	1351	1073	1170	1233	1279	1317	1368	374	412	436	454	469	489	
120,000	140,000	673	786	863	924	974	1044	1047	1154	1223	1276	1318	1376	1076	1206	1289	1353	1405	1476	1180	1287	1355	1406	1447	1504	407	448	474	494	510	532	
140,000	160,000	715	834	916	979	1032	1107	1129	1245	1319	1375	1421	1484	1155	1294	1384	1452	1508	1584	1274	1389	1462	1517	1562	1622	436	479	507	528	545	569	
160,000	180,000	756	882	967	1034	1090	1169	1211	1335	1415	1475	1524	1591	1234	1382	1479	1551	1610	1692	1367	1490	1569	1628	1676	1741	465	510	540	562	580	605	
180,000	200,000	793	924	1013	1083	1141	1223	1285	1416	1501	1565	1617	1688	1305	1462	1563	1640	1703	1789	1452	1582	1666	1729	1779	1848	490	539	570	593	612	638	
200,000	or more	971	1129	1237	1321	1390	1489	1656	1824	1933	2014	2081	2172	1656	1855	1984	2081	2160	2270	1875	2044	2151	2232	2297	2386	617	677	715	744	768	800	
		<b>Connecticut 6.1764%</b>						<b>District of Columbia 6.0000%</b>						<b>Florida 6.0000%</b>						<b>Georgia 4.0000%</b>						<b>Hawaii<sup>5</sup> 4.0000%</b>						
\$0	\$20,000	250	271	285	295	303	314	191	204	213	220	225	232	253	277	292	303	313	325	160	177	189	197	204	214	253	291	317	336	352	374	
20,000	30,000	411	446	469	485	498	516	315	337	352	362	371	383	416	455	480	498	514	534	252	279	296	309	320	335	393	451	490	520	544	578	
30,000	40,000	495	537	563	583	599	621	379	406	423	436	446	460	500	547	577	598	617	642	298	330	350	366	378	396	462	531	576	610	640	680	
40,000	50,000	566	615	645	668	686	711	434	466	485	500	512	528	572	626	660	686	706	735	338	373	396	414	428	447	521	598	650	689	721	766	
50,000	60,000	631	685	719	745	765	793	484	519	541	557	571	588	637	697	735	764	787	819	373	412	437	456	472	493	573	658	714	758	793	842	
60,000	70,000	690	749	787	815	837	867	530	568	592	610	624	644	697	762	804	835	861	895	405	447	475	495	512	535	620	712	773	820	858	911	
70,000	80,000	746	810	851	881	905	938	573	615	641	660	675	696	756	824	869	903	930	967	435	480	509	532	550	575	664	763	828	878	919	976	
80,000	90,000	798	867	910	942	968	1003	614	658	685	706	723	745	806	881	929	966	995	1035	463	511	542	565	584	611	705	809	878	931	975	1035	
90,000	100,000	848	920	966	1001	1028	1065	652	699	728	750	768	792	856	936	987	1025	1056	1098	489	539	572	597	617	645	743	853	926	982	1028	1091	
100,000	120,000	913	991	1041	1078	1107	1147	702	753	784	808	827	853	921	1007	1062	1104	1137	1183	523	577	612	639	660	690	793	911	988	1048	1097	1164	
120,000	140,000	1002	1088	1143	1183	1216	1260	772	827	862	888	909	937	1012	1106	1166	1212	1248	1298	570	629	667	696	719	751	862	989	1073	1138	1190	1264	
140,000	160,000	1081	1174	1232	1276	1311	1359	832	892	930	958	980	1011	1091	1192	1257	1306	1345	1399	611	674	714	745	770	804	921	1057	1147	1215	1272	1350	
160,000	180,000	1159	1259	1322	1369	1406	1457	943	957	997	1027	1051	1084	1169	1278	1348	1400	1442	1500	652	718	761	794	821	857	979	1124	1219	1292	1352	1436	
180,000	200,000	1229	1335	1402	1452	1492	1546	1048	1016	1059	1090	1116	1151	1241	1356	1430	1485	1530	1591	688	758	804	838	866	904	1032	1184	1284	1361	1425	1513	
200,000	or more	1583	1720	1806	1870	1922	1992	1222	1310	1365	1406	1439	1483	1597	1745	1840	1911	1968	2047	869	956	1013	1056	1090	1138	1290	1479	1604	1700	1779	1888	
		<b>Idaho 6.0000%</b>						<b>Illinois 6.2500%</b>						<b>Indiana 7.0000%</b>						<b>Iowa 6.0000%</b>						<b>Kansas 6.3000%</b>						
\$0	\$20,000	339	400	441	473	500	538	262	294	314	330	343	361	299	332	353	370	383	401	259	288	306	320	331	346	369	435	480	515	544	585	
20,000	30,000	505	594	654	700	739	794	403	450	481	505	525	552	462	514	547	571	592	619	427	474	505	528	546	571	560	659	726	778	822	883	
30,000	40,000	586	688	757	810	855	918	472	527	563	591	614	646	544	604	643	672	695	728	514	571	608	635	657	688	653	768	846	907	957	1028	
40,000	50,000	654	767	843	902	952	1022	531	592	633	664	689	725	613	680	724	756	783	819	589	654	696	728	754	789	732	861	948	1015	1072	1151	
50,000	60,000	714	836	919	984	1037	1113	583	650	694	728	756	795	674	748	796	832	861	901	657	730	777	812	840	880	801	942	1037	1111	1172	1259	
60,000	70,000	768	898	987	1056	1114	1195	629	702	750	786	816	858	729	810	861	900	931	974	719	799	850	889	920	963	864	1015	1117	1197	1263	1356	
70,000	80,000	818	957	1051	1124	1185	1271	673	751	802	841	873	917	781	867	922	964	997	1043	777	864	919	961	995	1041	922	1083	1192	1277	1348	1447	
80,000	90,000	864	1010	1109	1186	1250	1340	714	796	850	891																					

## 2011 Optional State and Certain Local Sales Tax Tables (Continued)

Income		Exemptions					Exemptions					Exemptions					Exemptions					Exemptions						
		1	2	3	4	Over 5	1	2	3	4	Over 5	1	2	3	4	Over 5	1	2	3	4	Over 5	1	2	3	4	Over 5		
At least	But less than	Nevada <sup>3</sup> 6.8500%					New Jersey <sup>4</sup> 7.0000%					New Mexico 5.1250%					New York 4.0000%					North Carolina <sup>1</sup> 5.2459%						
\$0	\$20,000	266	293	311	324	334	263	282	294	303	310	235	252	262	270	276	155	167	174	180	185	191	254	289	313	331	345	366
20,000	30,000	420	462	488	509	525	436	467	487	502	514	391	419	436	449	459	255	275	287	296	304	314	397	452	488	516	539	570
30,000	40,000	498	546	578	601	621	525	563	587	605	619	472	506	527	542	554	307	330	345	356	365	378	468	533	576	608	635	672
40,000	50,000	564	619	654	681	702	603	646	674	694	711	542	581	605	623	637	352	378	396	408	419	433	528	602	650	687	717	759
50,000	60,000	623	683	722	751	775	673	721	752	775	793	605	649	676	696	711	392	422	441	455	467	482	582	663	716	756	790	835
60,000	70,000	676	742	784	815	841	737	790	823	848	868	663	711	741	762	780	429	462	482	498	510	528	631	718	776	820	855	905
70,000	80,000	727	797	841	875	903	797	855	891	918	940	718	770	802	826	844	464	499	522	538	552	570	677	770	832	879	917	970
80,000	90,000	773	847	895	931	960	853	915	954	983	1006	769	825	859	885	905	496	534	558	576	590	610	719	818	883	933	974	1031
90,000	100,000	817	895	946	983	1014	907	972	1014	1045	1069	818	877	914	940	962	527	567	593	612	627	648	759	863	932	985	1028	1087
100,000	120,000	875	958	1012	1052	1085	978	1048	1093	1126	1153	882	946	985	1014	1038	568	611	638	659	675	698	811	923	996	1052	1098	1162
120,000	140,000	954	1044	1102	1146	1182	1075	1152	1202	1238	1267	971	1041	1084	1116	1142	623	671	701	724	742	767	882	1003	1083	1144	1194	1263
140,000	160,000	1022	1119	1181	1228	1266	1160	1244	1297	1336	1368	1048	1124	1171	1206	1233	672	723	756	780	800	827	944	1073	1159	1224	1277	1351
160,000	180,000	1091	1193	1259	1309	1349	1245	1335	1392	1434	1468	1126	1207	1258	1295	1325	721	776	811	837	858	887	1005	1143	1233	1303	1359	1438
180,000	200,000	1152	1260	1330	1382	1424	1322	1418	1478	1523	1559	1196	1283	1336	1376	1407	765	823	860	888	910	941	1060	1205	1301	1373	1433	1516
200,000 or more		1455	1590	1677	1742	1795	1707	1831	1909	1967	2014	1548	1661	1730	1782	1822	986	1061	1108	1144	1172	1212	1330	1511	1631	1722	1796	1900
Income		North Dakota 5.0000%					Ohio 5.5000%					Oklahoma 4.5000%					Pennsylvania 6.0000%					Rhode Island 7.0000%						
\$0	\$20,000	194	218	233	245	255	234	255	269	279	287	247	288	315	337	354	214	230	240	248	254	262	260	283	297	308	316	328
20,000	30,000	303	339	363	382	397	382	417	439	456	469	382	444	486	519	546	348	374	391	403	413	427	404	438	460	476	489	507
30,000	40,000	358	400	428	450	467	459	500	527	547	563	448	521	571	609	641	417	448	468	483	495	511	475	515	541	560	575	596
40,000	50,000	404	452	483	507	527	524	572	602	625	644	505	587	642	685	721	476	512	535	552	566	584	535	580	609	631	648	672
50,000	60,000	445	498	532	559	580	584	637	670	696	716	555	645	706	753	792	530	569	595	614	629	649	589	638	670	694	713	739
60,000	70,000	482	539	576	605	629	638	695	732	760	782	601	698	763	814	856	578	622	649	670	687	709	637	691	725	751	771	799
70,000	80,000	517	578	618	649	674	689	751	791	821	845	643	747	817	871	917	624	671	701	723	741	765	682	740	776	804	826	856
80,000	90,000	550	614	656	689	715	736	803	845	877	903	682	792	866	924	972	667	717	749	773	792	818	724	785	824	853	876	908
90,000	100,000	580	648	692	727	755	781	852	897	930	958	719	835	913	974	1024	697	749	781	810	840	867	763	828	869	899	924	957
100,000	120,000	620	692	740	776	806	840	916	965	1001	1030	768	891	974	1038	1092	761	818	854	881	903	932	815	883	927	959	986	1021
120,000	140,000	674	752	804	844	876	921	1005	1058	1098	1130	833	966	1057	1127	1185	834	896	936	966	989	1022	885	959	1006	1042	1070	1109
140,000	160,000	721	805	860	902	937	993	1083	1140	1182	1217	890	1032	1128	1203	1265	898	965	1008	1040	1065	1100	946	1025	1075	1113	1143	1185
160,000	180,000	768	857	915	960	997	1064	1160	1221	1267	1304	946	1097	1199	1278	1344	962	1034	1079	1113	1141	1178	1006	1090	1144	1183	1216	1259
180,000	200,000	810	903	965	1012	1051	1105	1128	1230	1294	1343	997	1155	1263	1346	1415	1019	1095	1144	1180	1209	1248	1060	1148	1205	1247	1281	1329
200,000 or more		1016	1132	1209	1268	1316	1448	1578	1661	1723	1773	1245	1441	1574	1678	1764	1306	1403	1465	1511	1548	1599	1325	1435	1505	1557	1599	1656
Income		South Carolina 6.0000%					South Dakota 4.0000%					Tennessee 7.0000%					Texas 6.2500%					Utah 4.7000%						
\$0	\$20,000	249	273	288	300	309	238	278	304	325	342	389	446	485	514	538	269	299	318	332	344	360	246	280	303	320	335	355
20,000	30,000	406	445	471	489	505	368	429	470	501	528	404	492	541	583	613	439	488	519	542	561	588	387	440	476	503	525	556
30,000	40,000	486	534	564	587	605	432	504	552	589	619	472	581	634	680	711	526	585	622	650	673	705	457	521	562	594	621	657
40,000	50,000	556	610	645	670	691	486	567	621	663	697	502	618	685	735	766	602	668	711	743	770	805	518	589	636	672	702	743
50,000	60,000	618	678	717	746	769	535	623	682	728	766	583	710	795	850	881	669	744	791	827	856	896	572	650	702	742	774	820
60,000	70,000	675	741	783	814	840	578	674	738	788	828	635	769	856	913	944	731	812	864	904	935	976	620	705	761	804	840	889
70,000	80,000	728	800	845	879	907	619	721	790	842	886	702	847	943	1000	1031	789	877	933	976	1010	1057	666	757	817	864	901	954
80,000	90,000	778	855	903	939	969	657	765	837	893	940	745	897	1000	1057	1088	844	937	997	1043	1079	1130	709	805	869	918	958	1014
90,000	100,000	826	907	958	997	1027	692	806	882	941	990	782	941	1050	1107	1138	895	994	1058	1106	1145	1199	749	851	918	969	1012	1071
100,000	120,000	888	975	1030	1072	1105	739	860	941	1004	1056	822	983	1099	1156	1187	963	1069	1138	1190	1232	1289	801	910	982	1037	1082	1145
120,000	140,000	973	1069	1130	1175	1212	802	933	1021	1089	1146	832	1000	1117	1174	1205	1055	1173	1248	1305	1351	1414	873	991	1069	1129	1178	1247
140,000	160,000	1048	1151	1216	1265	1305	857	997	1091	1163	1223	890	1069	1187	1244	1275	1127	1263	1344	1405	1455	1523	935	1061	1145	1209	1262	1335
160,000	180,000	1123	1233	1303	1359	1397	911	1060	1159	1236	1300	946	1126	1244	1307	1338	1137	1353	1440	1506	1559	1631	997	1131	1220	1288	1344	1422
180,000	200,000	1190	1307	1381	1436	1481	959	1116	1221	1302	1369	1014	1200	1317	1380	1411	1291	1434	1526	1596	1652	1730	1053	1194	1288	1360	1419	1501
200,000 or more		1525	1675	1770	1841	1899	1197	1392	1522	1623	1706	1202	1397	1522	1605	1636	1655	1839	1958	2047	2119	2219	1327	1504	1621	1711	1785	1887
Income		Vermont 6.0000%					Virginia 4.0000%					Washington 6.5000%					West Virginia 6.0000%					Wisconsin 5.0000%						
\$0	\$20,000	169	177	182	185	188	175	199	214	227	237	268	294	311	324	335	304	348	377	399	417	443	222	244	259	269	278	290</

## Which Optional Local Sales Tax Table Should I Use?

IF you live in the state of...	AND you live in...	THEN use Local Table...
<b>Alaska</b>	Any locality	C
<b>Arizona</b>	Mesa or Tucson	A
	Chandler, Gilbert, Glendale, Peoria, Phoenix, Scottsdale, Tempe, Yuma, or any other locality	B
<b>Arkansas</b>	Any locality	B
<b>California</b>	Los Angeles County	A
<b>Colorado</b>	Adams County, Arapahoe County, Boulder County, Centennial, Colorado Springs, Denver City/Denver County, El Paso County, Jefferson County, Larimer County, Pueblo County, or any other locality	A
	Arvada, Aurora, City of Boulder, Fort Collins, Greeley, Lakewood, Longmont, City of Pueblo, or Westminster	B
	Thornton	C
<b>Georgia</b>	Any locality	B
<b>Illinois</b>	Any locality	A
<b>Louisiana</b>	One of the following parishes: Ascension, Bossier, Caddo, Calcasieu, East Baton Rouge, Iberia, Jefferson, Lafayette, Lafourche, Livingston, Orleans, Ouachita, Rapides, St. Bernard, St. Landry, St. Tammany, Tangipahoa, or Terrebonne	C
	Any other locality	B
<b>Missouri</b>	Any locality	B
<b>New York</b>	Chautauqua County, Chenango County, Columbia County, Delaware County, Greene County, Hamilton County, Madison County, Tioga County, Wayne County, New York City, or Norwich City	A
	One of the following counties: Albany, Allegany, Broome, Cattaraugus, Cayuga, Chemung, Clinton, Cortland, Dutchess, Erie, Essex, Franklin, Fulton, Genesee, Herkimer, Jefferson, Lewis, Livingston, Monroe, Montgomery, Nassau, Niagara, Oneida, Onondaga, Ontario, Orange, Orleans, Oswego, Otsego, Putnam, Rensselaer, Rockland, St. Lawrence, Saratoga, Schenectady, Schoharie, Schuyler, Seneca, Steuben, Suffolk, Sullivan, Tompkins, Ulster, Warren, Washington, Westchester, Wyoming, or Yates Or the City of Oneida	B
	Any other locality	D
<b>North Carolina</b>	Any locality	A
<b>South Carolina</b>	Cherokee County, Chesterfield County, Darlington County, Dillon County, Horry County, Jasper County, Lee County, Lexington County, or Myrtle Beach	A
	Charleston County or any other locality	B
<b>Tennessee</b>	Any locality	B
<b>Utah</b>	Any locality	A
<b>Virginia</b>	Any locality	B

## 2011 Optional Local Sales Tax Tables for Certain Local Jurisdictions

(Based on a local sales tax rate of 1 percent)\*

Income At least	But less than	Local Table A						Local Table B						Local Table C						Local Table D					
		Exemptions						Exemptions						Exemptions						Exemptions					
		1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5	1	2	3	4	5	Over 5
\$0	\$20,000	41	46	49	51	53	55	50	58	63	67	71	75	60	69	75	80	84	89	39	42	44	45	46	48
20,000	30,000	64	71	76	79	82	86	76	88	96	102	107	114	92	106	115	122	128	136	64	69	72	74	76	79
30,000	40,000	75	84	89	93	96	101	89	103	112	119	125	133	108	124	135	143	150	159	77	83	86	89	91	95
40,000	50,000	85	94	100	105	109	114	100	116	126	134	140	149	121	139	151	161	168	179	88	95	99	102	105	108
50,000	60,000	94	104	110	115	119	125	110	127	138	147	154	164	133	153	166	176	184	196	98	106	110	114	117	121
60,000	70,000	101	112	119	125	129	135	119	137	149	158	166	176	144	165	179	190	199	211	107	116	121	125	128	132
70,000	80,000	109	120	128	134	138	145	127	146	159	169	177	188	154	177	192	203	213	226	116	125	131	135	138	143
80,000	90,000	115	128	136	142	147	154	135	155	168	179	187	199	163	187	203	215	225	239	124	134	140	144	148	153
90,000	100,000	122	135	143	150	155	162	142	163	177	188	197	210	172	197	214	227	237	252	132	142	148	153	157	162
100,000	120,000	130	144	153	160	165	173	151	174	189	200	210	223	183	210	228	241	253	268	142	153	160	165	169	175
120,000	140,000	141	156	166	174	180	188	164	188	204	217	227	241	199	228	247	262	274	291	156	168	175	181	186	192
140,000	160,000	151	167	178	186	192	201	175	200	218	231	242	257	212	243	263	279	292	310	168	181	189	195	200	207
160,000	180,000	161	178	189	197	204	214	185	213	231	245	257	273	225	258	280	296	310	329	180	194	203	209	215	222
180,000	200,000	170	188	199	208	215	225	195	224	243	258	270	287	237	272	294	312	326	346	191	206	215	222	228	235
200,000	or more	213	235	249	260	269	282	242	278	301	319	334	355	295	338	366	387	405	430	247	265	277	286	293	303

\*If your local rate is different from 1 percent, the local portion of your deduction for sales tax will be proportionally larger or smaller. See the instructions for line 3 of the State and Local General Sales Tax Deduction Worksheet.



# 2011 Instructions for Schedule C

## Profit or Loss From Business

Use Schedule C (Form 1040) to report income or loss from a business you operated or a profession you practiced as a sole proprietor. An activity qualifies as a business if your primary purpose for engaging in the activity is for income or profit and you are involved in the activity with continuity and regularity. For example, a sporadic activity or a hobby does not qualify as a business. To report income from a nonbusiness activity, see the instructions for Form 1040, line 21, or Form 1040NR, line 21.

Also use Schedule C to report (a) wages and expenses you had as a statutory employee, (b) income and deductions of certain qualified joint ventures, and (c) certain income shown on Form 1099-K, Merchant Card and Third Party Network Payments, and Form 1099-MISC, Miscellaneous Income. See the instructions for line 1 and the *Instructions for Recipient* (back of Copy B of Form 1099-MISC) for the types of income to report on Schedule C.

Small businesses and statutory employees with business expenses of \$5,000 or less may be able to file Schedule C-EZ instead of Schedule C. See Schedule C-EZ for details.

You may be subject to state and local taxes and other requirements such as business licenses and fees. Check with your state and local governments for more information.

Section references are to the Internal Revenue Code unless otherwise noted.

### What's New

**Future developments.** For the latest information about this form, including any developments after these instructions were released, go to [www.irs.gov/schedulec](http://www.irs.gov/schedulec).

**New merchant card reporting requirements.** We added new lines 1a and 1b to implement reporting of gross receipts received via merchant card (credit and debit cards) and third party network payments. However, for 2011, the IRS has deferred the requirement to report these amounts. Therefore, enter zero on line 1a and report all gross receipts on line 1b, including any income reported to you on Form 1099-K, Merchant Card and Third Party Network Payments (but excluding any W-2 income reportable on line 1c).

**Qualified joint ventures reporting rental real estate income.** Beginning in 2011, qualified joint ventures reporting rental real estate income that is not subject to self-employment tax must report that income on Schedule E instead of Schedule C. See *Husband-Wife Qualified Joint Venture* and the Instructions for Schedule E for details.

**Standard mileage rate.** The business standard mileage rate for 2011 increased to 51 cents per mile for miles driven before July 1, 2011, and 55.5 cents per mile for miles driven after June 30, 2011. See the instructions for line 9 for details.

**Information reporting requirements.** New lines I and J address your required filing of Forms 1099 in 2011. See the General Instructions for Certain Information Returns

to determine whether you are required to file any Forms 1099.

**Heavy highway vehicle use tax.** This tax has been extended through September 30, 2012. See Form 2290 and its instructions for the extended filing deadline for 2011.

**Musical composition expenses.** You may no longer elect to amortize certain expenses paid or incurred to create or acquire a musical composition or its copyright.

### General Instructions

#### Other Schedules and Forms You May Have To File

- Schedule A to deduct interest, taxes, and casualty losses not related to your business.
- Schedule E to report rental real estate and royalty income or (loss) that is not subject to self-employment tax.
- Schedule F to report profit or (loss) from farming.
- Schedule J to figure your tax by averaging your farming or fishing income over the previous 3 years. Doing so may reduce your tax.
- Schedule SE to pay self-employment tax on income from any trade or business.
- Form 3800 to claim any of the general business credits.
- Form 4562 to claim depreciation (including the special allowance) on assets placed in service in 2011, to claim amortization that began in 2011, to make an election under section 179 to expense certain property, or to report information on listed property.
- Form 4684 to report a casualty or theft gain or loss involving property used in your

trade or business or income-producing property.

- Form 4797 to report sales, exchanges, and involuntary conversions (not from a casualty or theft) of trade or business property.
- Form 6198 to figure your allowable loss if you have a business loss and you have amounts invested in the business for which you are not at risk.
- Form 8582 to figure your deductible loss from passive activities.
- Form 8594 to report certain purchases or sales of groups of assets that constitute a trade or business.
- Form 8824 to report like-kind exchanges.
- Form 8829 to claim expenses for business use of your home.
- Form 8903 to take a deduction for income from domestic production activities.

**Single-member limited liability company (LLC).** Generally, a single-member domestic LLC is not treated as a separate entity for federal income tax purposes. If you are the sole member of a domestic LLC, file Schedule C or C-EZ (or Schedule E or F, if applicable). However, you can elect to treat a domestic LLC as a corporation. See Form 8832 for details on the election and the tax treatment of a foreign LLC.

**Single-member limited liability companies (LLCs) with employees.** Single-member LLCs that are disregarded as entities separate from their owner for federal income tax purposes are now required to file employment tax returns using the LLC's name and employer identification number (EIN) rather than the LLC owner's name and EIN. Single-member LLCs not previously needing an EIN may now need to obtain an EIN for the payment and reporting of those taxes. For more information, see the Instructions for Form SS-4.

**Heavy highway vehicle use tax.** If you use certain highway trucks, truck-trailers, tractor-trailers, or buses in your trade or business, you may have to pay a federal highway motor vehicle use tax. See the Instructions for Form 2290 to find out if you must pay this tax and visit [www.irs.gov/trucker](http://www.irs.gov/trucker) for the most recent developments.

**Information returns.** You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, real estate transactions, annuities, and pensions. See the instructions for line I and the 2011 General Instructions for Certain Information Returns for details and other payments that may require you to file a Form 1099.

If you received cash of more than \$10,000 in one or more related transactions in your trade or business, you may have to file Form 8300. For details, see Pub. 1544.

## Husband-Wife Qualified Joint Venture

If you and your spouse each materially participate (see *Material participation*, later, in the instructions for line G) as the only members of a jointly owned and operated business and you file a joint return for the tax year, you can make an election to be taxed as a qualified joint venture instead of a partnership. This election, in most cases, will not increase the total tax owed on the joint return, but it does give each of you credit for social security earnings on which retirement benefits are based and for Medicare coverage. By making the election, you will not be required to file Form 1065 for any year the election is in effect and will instead report the income and deductions directly on your joint return. If you and your spouse filed a Form 1065 for the year prior to the election, the partnership terminates at the end of the tax year immediately preceding the year the election takes effect.

**Note.** Mere joint ownership of property that is not a trade or business does not qualify for the election.

**Making the election.** To make this election, you must divide all items of income, gain, loss, deduction, and credit attributable to the business between you and your spouse in accordance with your respective interests in the venture. Each of you must file a separate Schedule C, C-EZ, or F. On each line of your separate Schedule C, C-EZ, or F, you must enter your share of the applicable income, deduction, or loss. Each of you must also file a separate Schedule SE to pay self-employment tax, as applicable.

Once made, the election can be revoked only with the permission of the IRS. However, the election technically remains in effect only for as long as the spouses filing as a qualified joint venture continue to meet the requirements for filing the election. If the spouses fail to meet the qualified joint venture requirements for a year, a new election will be necessary for any future year in which the spouses meet the requirements to be treated as a qualified joint venture.

The election generally does not require that you and your spouse obtain an em-

ployer identification number (EIN) since you and your spouse will file as sole proprietors. However, you may need an EIN to file other returns such as employment or excise tax returns. To apply for an EIN, see the Instructions for Form SS-4.

For more information on qualified joint ventures, go to [IRS.gov](http://IRS.gov). Enter “qualified joint venture” in the search box and select “Election for Husband and Wife Unincorporated Businesses.”

**Rental real estate business.** If you and your spouse make the election for your rental real estate business, you must each report your share of income and deductions on Schedule E. Rental real estate income generally is not included in net earnings from self-employment subject to self-employment tax and generally is subject to the passive loss limitation rules. Electing qualified joint venture status does not alter the application of the self-employment tax or the passive loss limitation rules.

## Exception—Community Income

If you and your spouse wholly own an unincorporated business as community property under the community property laws of a state, foreign country, or U.S. possession, the income and deductions are reported as follows.

- If only one spouse participates in the business, all of the income from that business is the self-employment earnings of the spouse who carried on the business.
- If both spouses participate, the income and deductions are allocated to the spouses based on their distributive shares.
- If either or both you and your spouse are partners in a partnership, see Pub. 541.
- If you and your spouse elected to treat the business as a qualifying joint venture, see *Husband-Wife Qualified Joint Venture* on this page.

The only states with community property laws are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. A change in your reporting position will be treated as a conversion of the entity.

## Reportable Transaction Disclosure Statement

Use Form 8886 to disclose information for each reportable transaction in which you participated. Form 8886 must be filed for each tax year that your federal income tax liability is affected by your participation in the transaction. You may have to pay a penalty if you are required to file Form 8886 but do not do so. You may also have to pay interest and penalties on any reportable transaction understatements. The following are reportable transactions.

- Any listed transaction that is the same as or substantially similar to tax avoidance transactions identified by the IRS.
- Any transaction offered to you or a related party under conditions of confidentiality for which you paid an advisor a fee of at least \$50,000.
- Certain transactions for which you or a related party have contractual protection against disallowance of the tax benefits.

- Certain transactions resulting in a loss of at least \$2 million in any single tax year or \$4 million in any combination of tax years. (At least \$50,000 for a single tax year if the loss arose from a foreign currency transaction defined in section 988(c)(1), whether or not the loss flows through from an S corporation or partnership.)

- Certain transactions of interest entered into after November 1, 2006, that are the same or substantially similar to one of the types of transactions that the IRS has identified by published guidance as a transaction of interest.

See the Instructions for Form 8886 for more details.

## Capital Construction Fund

Do not claim on Schedule C or C-EZ the deduction for amounts contributed to a capital construction fund set up under chapter 535 of title 46 of the United States Code. Instead, reduce the amount you would otherwise enter on Form 1040, line 43, by the amount of the deduction. Next to line 43, enter “CCF” and the amount of the deduction. For details, see Pub. 595.

## Additional Information

See Pub. 334 for more information for small businesses.

## Specific Instructions

**Files of Form 1041.** Do not complete the block labeled “Social security number (SSN).” Instead, enter the employer identification number (EIN) issued to the estate or trust on line D.

## Line A

Describe the business or professional activity that provided your principal source of income reported on line 1b-d. If you owned more than one business, you must complete a separate Schedule C for each business. Give the general field or activity and the type of product or service. If your general field or activity is wholesale or retail trade, or services connected with production services (mining, construction, or manufacturing), also give the type of customer or client. For example, “wholesale sale of hardware to retailers” or “appraisal of real estate for lending institutions.”

## Line D

Enter on line D the employer identification number (EIN) that was issued to you on Form SS-4. Do not enter your SSN. Do not enter another taxpayer’s EIN (for example, from any Forms 1099-MISC that you received). **If you do not have an EIN, leave line D blank.**

You need an EIN only if you have a qualified retirement plan or are required to file employment, excise, alcohol, tobacco, or firearms returns, or are a payer of gambling winnings. If you need an EIN, See the Instructions for Form SS-4.

**Single-member LLCs.** If you are the sole owner of an LLC that is not treated as a separate entity for federal income tax purposes, you may have an EIN that was issued to the LLC (and in the LLC's legal name) if you are required to file employment tax returns and certain excise tax returns. However, you should **enter on line D only the EIN issued to you and in your name as a sole proprietor.** If you do not have such an EIN, leave line D blank. Do not enter on line D the EIN issued to the LLC.

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## Line E

Enter your business address. Show a street address instead of a box number. Include the suite or room number, if any. If you conducted the business from your home located at the address shown on Form 1040, page 1, you do not have to complete this line.

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## Line F

Generally, you can use the cash method, accrual method, or any other method permitted by the Internal Revenue Code. In all cases, the method used must clearly reflect income. Unless you are a qualifying taxpayer or a qualifying small business taxpayer (see the Part III instructions), you must use the accrual method for sales and purchases of inventory items. Special rules apply to long-term contracts (see Code section 460 for details).

If you use the cash method, show all items of taxable income actually or constructively received during the year (in cash, property, or services). Income is constructively received when it is credited to your account or set aside for you to use. Also, show amounts actually paid during the year for deductible expenses. However, if the payment of an expenditure creates an asset having a useful life that extends substantially beyond the close of the year, it may not be deductible or may be deductible only in part for the year of the payment. See chapter 1 of Pub. 535.

If you use the accrual method, report income when you earn it and deduct expenses when you incur them even if you do not pay them during the tax year. Accrual-basis taxpayers are put on a cash basis for deducting business expenses owed to a related cash-basis taxpayer. Other rules determine the timing of deductions based on economic performance. See Pub. 538.

To change your accounting method, you generally must file Form 3115. You also may have to make an adjustment to prevent amounts of income or expense from being duplicated or omitted. This is called a section 481(a) adjustment.

**Example.** You change to the cash method of accounting and choose to account for inventoriable items in the same manner as materials and supplies that are not incidental. You accrued sales in 2010 for which you received payment in 2011. You must report those sales in both years as a result of changing your accounting

method and must make a section 481(a) adjustment to prevent duplication of income.

A net negative section 481(a) adjustment is taken into account entirely in the year of the change. A net positive section 481(a) adjustment is generally taken into account over a period of 4 years. Include any net positive section 481(a) adjustments on line 6. If the net section 481(a) adjustment is negative, report it in Part V.

For details on figuring section 481(a) adjustments, see the Instructions for Form 3115, and Rev. Proc. 2006-12, 2006-3 I.R.B. 310, available at [www.irs.gov/irb/2006-03\\_IRB/ar14.html](http://www.irs.gov/irb/2006-03_IRB/ar14.html). Also see Rev. Proc. 2006-37, 2006-38 I.R.B. 499, available at [www.irs.gov/irb/2006-38\\_IRB/ar10.html](http://www.irs.gov/irb/2006-38_IRB/ar10.html).

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## Line G

If your business activity was not a rental activity and you met any of the material participation tests, explained next, or the exception for oil and gas applies (explained later), check the "Yes" box. Otherwise, check the "No" box. If you check the "No" box, this business is a passive activity. If you have a loss from this business, see *Limit on losses*, later. If you have a profit from this business activity but have current year losses from other passive activities or you have prior year unallowed passive activity losses, see the Instructions for Form 8582.

**Material participation.** For purposes of the seven material participation tests listed below, participation generally includes any work you did in connection with an activity if you owned an interest in the activity at the time you did the work. The capacity in which you did the work does not matter. However, work is not treated as participation if it is work that an owner would not customarily do in the same type of activity and one of your main reasons for doing the work was to avoid the disallowance of losses or credits from the activity under the passive activity rules.

Work you did as an investor in an activity is not treated as participation unless you were directly involved in the day-to-day management or operations of the activity. Work done as an investor includes:

- Studying and reviewing financial statements or reports on the activity,
- Preparing or compiling summaries or analyses of the finances or operations of the activity for your own use, and
- Monitoring the finances or operations of the activity in a nonmanagerial capacity.

Participation by your spouse during the tax year in an activity you own can be counted as your participation in the activity. This rule applies even if your spouse did not own an interest in the activity and whether or not you and your spouse file a joint return. However, this rule does not apply for purposes of determining whether you and your spouse can elect to have your business treated as a qualified joint venture instead of a partnership (see *Husband-Wife Qualified Joint Venture*, earlier).

For purposes of the passive activity rules, you materially participated in the op-

eration of this trade or business activity during 2011 if you met any of the following seven tests.

1. You participated in the activity for more than 500 hours during the tax year.

2. Your participation in the activity for the tax year was substantially all of the participation in the activity of all individuals (including individuals who did not own any interest in the activity) for the tax year.

3. You participated in the activity for more than 100 hours during the tax year, and you participated at least as much as any other person for the tax year. This includes individuals who did not own any interest in the activity.

4. The activity is a significant participation activity for the tax year, and you participated in all significant participation activities for more than 500 hours during the year. An activity is a "significant participation activity" if it involves the conduct of a trade or business, you participated in the activity for more than 100 hours during the tax year, and you did not materially participate under any of the material participation tests (other than this test 4).

5. You materially participated in the activity for any 5 of the prior 10 tax years.

6. The activity is a personal service activity in which you materially participated for any 3 prior tax years. A personal service activity is an activity that involves performing personal services in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, or any other trade or business in which capital is not a material income-producing factor.

7. Based on all the facts and circumstances, you participated in the activity on a regular, continuous, and substantial basis for more than 100 hours during the tax year. Your participation in managing the activity does not count in determining if you meet this test if any person (except you) (a) received compensation for performing management services in connection with the activity, or (b) spent more hours during the tax year than you spent performing management services in connection with the activity (regardless of whether the person was compensated for the services).

**Rental of property.** Generally, a rental activity (such as long-term equipment leasing or rental real estate) is a passive activity even if you materially participated in the activity. However, if you materially participated in a rental real estate activity as a real estate professional, it is not a passive activity. Also, if you met any of the five exceptions listed under *Rental Activities* in the Instructions for Form 8582, the rental of the property is not treated as a rental activity and the material participation rules above apply. See *Activities That Are Not Passive Activities* in the Instructions for Form 8582 for the definition of a real estate professional.

**Exception for oil and gas.** If you are filing Schedule C to report income and deductions from an oil or gas well in which you own a working interest directly or through an entity that does not limit your liability,

check the "Yes" box. The activity of owning a working interest is not a passive activity, regardless of your participation.

**Limit on losses.** Your loss may be limited if you checked the "No" box on line G. In this case, you may have a loss from a passive activity, and you may have to use Form 8582 to figure your allowable loss, if any, to enter on Schedule C, line 31.

Generally, you can deduct losses from passive activities only to the extent of income from passive activities. For details, see Pub. 925.

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## Line H

If you started or acquired this business in 2011, check the box on line H. Also check the box if you are reopening or restarting this business after temporarily closing it, and you did not file a 2010 Schedule C or C-EZ for this business.

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## Line I

If you made any payment in 2011 that would require you to file any Forms 1099, check the "Yes" box. Otherwise, check the "No" box.

You may have to file information returns for wages paid to employees, certain payments of fees and other non-employee compensation, interest, rents, royalties, real estate transactions, annuities, and pensions. You may also have to file an information return if you sold \$5,000 or more of consumer products to a person on a buy-sell, deposit-commission, or other similar basis for resale.



*On page 15 of the General Instructions for Certain Information Returns, you can find a chart showing which Forms 1099 must be filed, the amounts to report, and the due dates for the required Forms 1099.*

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## Part I. Income

Except as otherwise provided in the Internal Revenue Code, gross income includes income from whatever source derived. In certain circumstances, however, gross income does not include extraterritorial income that is qualifying foreign trade income. Use Form 8873 to figure the extraterritorial income exclusion. Report it on Schedule C as explained in the Instructions for Form 8873.

If you were a debtor in a chapter 11 bankruptcy case during 2011, see *Chapter 11 Bankruptcy Cases* under *Income* in the instructions for Form 1040 and the Instructions for Schedule SE (Form 1040).

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## Line 1

Enter gross receipts from your trade or business. If you received merchant card and third party network payments in 2011,

you should receive a Form 1099-K for those payments. These payments should have been reported to you in box 1 of Form 1099-K, Merchant Card and Third Party Network Payments. Merchant cards include, but are not limited to, Visa and MasterCard. Third party networks include, but are not limited to, PayPal and Google Checkout. For 2011, you are not required to report income received via merchant card or third party network payers, so enter zero on line 1a and report all income, regardless of how it was received, on line 1b.

**Line 1b.** Enter on line 1b all gross receipts from your trade or business. Also include amounts you received in your trade or business that were properly shown on Forms 1099-MISC. If the total amounts that were reported in box 7 of Forms 1099-MISC are more than the total you are reporting on this line, attach a statement explaining the difference.

**Line 1c.** If you received a Form W-2 and the "Statutory employee" box in box 13 of that form was checked, report your income and expenses related to that income on Schedule C or C-EZ. Enter your statutory employee income from box 1 of Form W-2 on this line. Social security and Medicare tax should have been withheld from your earnings; as a result, you do not owe self-employment tax on these earnings. Statutory employees include full-time life insurance agents, certain agent or commission drivers and traveling salespersons, and certain homeworkers.

If you had both self-employment income and statutory employee income, you must file two Schedules C. You cannot use Schedule C-EZ or combine these amounts on a single Schedule C.



*Qualified joint ventures should report rental real estate income not subject to self-employment tax on Schedule E. See Husband-Wife Qualified Joint Venture, earlier, and the Instructions for Schedule E.*

**Installment sales.** Generally, the installment method cannot be used to report income from the sale of (a) personal property regularly sold under the installment method, or (b) real property held for resale to customers. But the installment method can be used to report income from sales of certain residential lots and timeshares if you elect to pay interest on the tax due on that income after the year of sale. See section 453(1)(2)(B) for details. If you make this election, include the interest in the total on Form 1040, line 61. Also, enter "453(1)(3)" and the amount of the interest on the dotted line to the left of line 61.

If you use the installment method, attach a schedule to your return. Show separately for 2011 and the 3 preceding years: gross sales, cost of goods sold, gross profit, percentage of gross profit to gross sales, amounts collected, and gross profit on amounts collected.

**Line 1d.** Since line 1a is zero, enter on line 1d the amount from line 1b or 1c.

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## Line 6

Report on line 6 amounts from finance reserve income, scrap sales, bad debts you recovered, interest (such as on notes and accounts receivable), state gasoline or fuel tax refunds you received in 2011, credit for biodiesel and renewable diesel fuels claimed on line 8 of Form 8864, credit for alcohol and cellulosic biofuel fuels claimed on line 7 of Form 6478, credit for federal tax paid on fuels claimed on your 2010 Form 1040, prizes and awards related to your trade or business, and other kinds of miscellaneous business income. Include amounts you received in your trade or business as shown on Form 1099-PATR.

If the business use percentage of any listed property (defined in the instructions for line 13) dropped to 50% or less in 2011, report on this line any recapture of excess depreciation, including any section 179 expense deduction. Use Part IV of Form 4797 to figure the recapture. Also, if the business use percentage drops to 50% or less on leased listed property (other than a vehicle), include on this line any inclusion amount. See chapter 5 of Pub. 946 to figure the amount.

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## Part II. Expenses

**Capitalizing costs of property.** If you produced real or tangible personal property or acquired property for resale, certain expenses attributable to the property generally must be included in inventory costs or capitalized. In addition to direct costs, producers of inventory property generally must also include part of certain indirect costs in their inventory. Purchasers of personal property acquired for resale must include part of certain indirect costs in inventory only if the average annual gross receipts for the 3 prior tax years exceed \$10 million. Also, you must capitalize part of the indirect costs that benefit real or tangible personal property constructed for use in a trade or business, or noninventory property produced for sale to customers. Reduce the amounts on lines 8 through 26 and Part V by amounts capitalized. See Pub. 538 for a discussion of uniform capitalization rules.

**Exception for certain producers.** Producers who account for inventoriable items in the same manner as materials and supplies that are not incidental can currently deduct expenditures for direct labor and all indirect costs that would otherwise be included in inventory costs. See *Part III. Cost of Goods Sold* for more details.

**Exception for creative property.** If you are a freelance artist, author, or photographer, you may be exempt from the capitalization rules. However, your personal efforts must have created (or reasonably be expected to create) the property. This exception does not apply to any expense related to printing, photographic plates, motion picture films, video tapes, or similar items. These expenses are subject to the

capitalization rules. For details, see *Uniform Capitalization Rules* in Pub. 538.

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## Line 9

You can deduct the actual expenses of operating your car or truck or take the standard mileage rate. This is true even if you used your vehicle for hire (such as a taxicab). You must use actual expenses if you used five or more vehicles simultaneously in your business (such as in fleet operations). You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

You can take the standard mileage rate for 2011 only if you:

- Owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or
- Leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

If you take the standard mileage rate:

- Multiply the number of business miles driven by 51 cents for miles driven before July 1, 2011, and 55.5 cents per mile for miles driven after June 30, 2011, and
- Add to this amount your parking fees and tolls, and enter the total on line 9.

Do not deduct depreciation, rent or lease payments, or your actual operating expenses.

If you deduct actual expenses:

- Include on line 9 the business portion of expenses for gasoline, oil, repairs, insurance, tires, license plates, etc., and
- Show depreciation on line 13 and rent or lease payments on line 20a.

For details, see chapter 4 of Pub. 463.

**Information on your vehicle.** If you claim any car and truck expenses, you must provide certain information on the use of your vehicle by completing one of the following.

- Schedule C, Part IV, or Schedule C-EZ, Part III, if: (a) you are claiming the standard mileage rate, you lease your vehicle, or your vehicle is fully depreciated, and (b) you are not required to file Form 4562 for any other reason. If you used more than one vehicle during the year, attach your own schedule with the information requested in Schedule C, Part IV, or Schedule C-EZ, Part III, for each additional vehicle.
- Form 4562, Part V, if you are claiming depreciation on your vehicle or you are required to file Form 4562 for any other reason (see the instructions for line 13).

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## Line 11

Enter the total cost of contract labor for the tax year. Contract labor includes payments to persons you do not treat as employees (for example, independent contractors) for services performed for your trade or business. Do not include contract labor deducted elsewhere on your return, such as contract labor includible on line 17, 21, 26, or 37. Also, do not include salaries and

wages paid to your employees; instead, see line 26.

You must file Form 1099-MISC, Miscellaneous Income, to report contract labor payments of \$600 or more during the year. See the Instructions for Form 1099-MISC for details.

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## Line 12

Enter your deduction for depletion on this line. If you have timber depletion, attach Form T. See chapter 9 of Pub. 535 for details.

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## Line 13

**Depreciation and section 179 expense deduction.** Depreciation is the annual deduction allowed to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. You can also depreciate improvements made to leased business property. However, stock in trade, inventories, and land are not depreciable. Depreciation starts when you first use the property in your business or for the production of income. It ends when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business or for the production of income. You can also elect under section 179 to expense part or all of the cost of certain property you bought in 2011 for use in your business. See the Instructions for Form 4562 and Pub. 946 to figure the amount to enter on line 13.

**When to attach Form 4562.** You must complete and attach Form 4562 only if you are claiming:

- Depreciation on property placed in service during 2011;
- Depreciation on listed property (defined below), regardless of the date it was placed in service; or
- A section 179 expense deduction.

If you acquired depreciable property for the first time in 2011, see Pub. 946.

Listed property generally includes but is not limited to:

- Passenger automobiles weighing 6,000 pounds or less;
- Any other property used for transportation if the nature of the property lends itself to personal use, such as motorcycles, pickup trucks, etc.;
- Any property used for entertainment or recreational purposes (such as photographic, phonographic, communication, and video recording equipment); and
- Computers or peripheral equipment.

**Exceptions.** Listed property does not include photographic, phonographic, communication, or video equipment used exclusively in your trade or business or at your regular business establishment. It also does not include any computer or peripheral equipment used exclusively at a regular business establishment and owned or leased by the person operating the establishment. For purposes of these exceptions, a portion of your home is treated as a regu-

lar business establishment only if that portion meets the requirements under section 280A(c)(1) for deducting expenses for the business use of your home.

See the instructions for line 6 if the business use percentage of any listed property dropped to 50% or less in 2011.

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## Line 14

Deduct contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 19. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs. If you made contributions on your behalf as a self-employed person to a dependent care assistance program, complete Form 2441, Parts I and III, to figure your deductible contributions to that program.

You cannot deduct contributions you made on your behalf as a self-employed person for group-term life insurance.

Do not include on line 14 any contributions you made on your behalf as a self-employed person to an accident and health plan. However, you may be able to deduct on Form 1040, line 29, or Form 1040NR, line 29, the amount you paid for health insurance on behalf of yourself, your spouse, and dependents, even if you do not itemize your deductions. See the instructions for Form 1040, line 29, or Form 1040NR, line 29, for details.

You must reduce your line 14 deduction by the amount of any credit for small employer health insurance premiums determined on Form 8941. See Form 8941 and its instructions to determine which expenses are eligible for the credit.

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## Line 15

Deduct premiums paid for business insurance on line 15. Deduct on line 14 amounts paid for employee accident and health insurance. Do not deduct amounts credited to a reserve for self-insurance or premiums paid for a policy that pays for your lost earnings due to sickness or disability. For details, see chapter 6 of Pub. 535.

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## Lines 16a and 16b

**Interest allocation rules.** The tax treatment of interest expense differs depending on its type. For example, home mortgage interest and investment interest are treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted (or capitalized) on the correct line of your return and receives the right tax treatment. These rules could affect how much interest you are allowed to deduct on Schedule C or C-EZ.

Generally, you allocate interest expense by tracing how the proceeds of the loan were used. See chapter 4 of Pub. 535 for details.

If you paid interest on a debt secured by your main home and any of the proceeds from that debt were used in connection

with your trade or business, see chapter 4 of Pub. 535 to figure the amount that is deductible on Schedule C or C-EZ.

**How to report.** If you have a mortgage on real property used in your business (other than your main home), enter on line 16a the interest you paid for 2011 to banks or other financial institutions for which you received a Form 1098 (or similar statement). If you did not receive a Form 1098, enter the interest on line 16b.

If you paid more mortgage interest than is shown on Form 1098, see chapter 4 of Pub. 535 to find out if you can deduct the additional interest. If you can, include the amount on line 16a. Attach a statement to your return explaining the difference and enter "See attached" in the margin next to line 16a.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098, include your share of the interest on line 16b. Attach a statement to your return showing the name and address of the person who received the Form 1098. In the margin next to line 16b, enter "See attached."

If you paid interest in 2011 that also applies to future years, deduct only the part that applies to 2011.

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## Line 17

Include on this line fees charged by accountants and attorneys that are ordinary and necessary expenses directly related to operating your business.

Include fees for tax advice related to your business and for preparation of the tax forms related to your business. Also include expenses incurred in resolving asserted tax deficiencies relating to your business.

For more information, see Pub. 334 or 535.

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## Line 18

Include on this line your expenses for office supplies and postage.

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## Line 19

Enter your deduction for contributions to a pension, profit-sharing, or annuity plan, or plan for the benefit of your employees. If the plan included you as a self-employed person, enter contributions made as an employer on your behalf on Form 1040, line 28, or Form 1040NR, line 28, not on Schedule C.

In most cases, you must file the applicable form listed below if you maintain a pension, profit-sharing, or other funded-deferred compensation plan. The filing requirement is not affected by whether or not the plan qualified under the Internal Revenue Code, or whether or not you claim a deduction for the current tax year. There is a penalty for failure to timely file these forms.

**Form 5500-EZ.** File this form if you have a one-participant retirement plan that meets certain requirements. A one-participant plan is a plan that covers only you (or you and your spouse).

**Form 5500-SF.** File this form if you have a small plan (fewer than 100 participants in most cases) that meets certain requirements.

**Form 5500.** File this form for a plan that does not meet the requirements for filing Form 5500-EZ or Form 5500-SF.

For details, see Pub. 560.

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## Lines 20a and 20b

If you rented or leased vehicles, machinery, or equipment, enter on line 20a the business portion of your rental cost. But if you leased a vehicle for a term of 30 days or more, you may have to reduce your deduction by an amount called the inclusion amount. See *Leasing a Car* in chapter 4 of Pub. 463 to figure this amount.

Enter on line 20b amounts paid to rent or lease other property, such as office space in a building.

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## Line 21

Deduct the cost of incidental repairs and maintenance that do not add to the property's value or appreciably prolong its life. Do not deduct the value of your own labor. Do not deduct amounts spent to restore or replace property; they must be capitalized.

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## Line 22

In most cases, you can deduct the cost of materials and supplies only to the extent you actually consumed and used them in your business during the tax year (unless you deducted them in a prior tax year). However, if you had incidental materials and supplies on hand for which you kept no inventories or records of use, you can deduct the cost of those you actually purchased during the tax year, provided that method clearly reflects income.

You can also deduct the cost of books, professional instruments, equipment, etc., if you normally use them within a year. However, if their usefulness extends substantially beyond a year, you must generally recover their costs through depreciation.

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## Line 23

You can deduct the following taxes and licenses on this line.

- State and local sales taxes imposed on you as the seller of goods or services. If you collected this tax from the buyer, you must also include the amount collected in gross receipts or sales on line 1.
- Real estate and personal property taxes on business assets.
- Licenses and regulatory fees for your trade or business paid each year to state or

local governments. But some licenses, such as liquor licenses, may have to be amortized. See chapter 8 of Pub. 535 for details.

- Social security and Medicare taxes paid to match required withholding from your employees' wages. Reduce your deduction by the amount shown on Form 8846, line 4.

- Federal unemployment tax paid.
- Federal highway use tax.
- Contributions to state unemployment insurance fund or disability benefit fund if they are considered taxes under state law.

Do not deduct the following.

- Federal income taxes, including your self-employment tax. However, you can deduct a portion of your self-employment tax on Form 1040, line 27, (or Form 1040NR, line 27, when covered under the U.S. social security system due to an international social security agreement).

- Estate and gift taxes.
- Taxes assessed to pay for improvements, such as paving and sewers.
- Taxes on your home or personal use property.
- State and local sales taxes on property purchased for use in your business. Instead, treat these taxes as part of the cost of the property.
- State and local sales taxes imposed on the buyer that you were required to collect and pay over to state or local governments. These taxes are not included in gross receipts or sales nor are they a deductible expense. However, if the state or local government allowed you to retain any part of the sales tax you collected, you must include that amount as income on line 6.
- Other taxes and license fees not related to your business.

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## Line 24a

Enter your expenses for lodging and transportation connected with overnight travel for business while away from your tax home. In most cases, your tax home is your main place of business, regardless of where you maintain your family home. You cannot deduct expenses paid or incurred in connection with employment away from home if that period of employment exceeds 1 year. Also, you cannot deduct travel expenses for your spouse, your dependent, or any other individual unless that person is your employee, the travel is for a *bona fide* business purpose, and the expenses would otherwise be deductible by that person.

Do not include expenses for meals and entertainment on this line. Instead, see the instructions for line 24b.

Instead of keeping records of your actual incidental expenses, you can use an optional method for deducting incidental expenses only if you did not pay or incur meal expenses on a day you were traveling away from your tax home. The amount of the deduction is \$5 a day. Incidental expenses include fees and tips given to porters, baggage carriers, bellhops, hotel maids, stewards or stewardesses and others on ships, and hotel servants in foreign countries. They do not include expenses for

laundry, cleaning and pressing of clothing, lodging taxes, or the costs of telegrams or telephone calls. You cannot use this method on any day that you use the standard meal allowance (as explained in the instructions for line 24b).

You cannot deduct expenses for attending a convention, seminar, or similar meeting held outside the North American area unless the meeting is directly related to your trade or business and it is as reasonable for the meeting to be held outside the North American area as within it. These rules apply to both employers and employees. Other rules apply to luxury water travel.

For details on travel expenses, see chapter 1 of Pub. 463.

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## Line 24b

Enter your total deductible business meal and entertainment expenses. This includes expenses for meals while traveling away from home for business and for meals that are business-related entertainment.

**Deductible expenses.** Business meal expenses are deductible only if they are (a) directly related to or associated with the active conduct of your trade or business, (b) not lavish or extravagant, and (c) incurred while you or your employee is present at the meal.

You cannot deduct any expense paid or incurred for a facility (such as a yacht or hunting lodge) used for any activity usually considered entertainment, amusement, or recreation.

Also, you cannot deduct membership dues for any club organized for business, pleasure, recreation, or other social purpose. This includes country clubs, golf and athletic clubs, airline and hotel clubs, and clubs operated to provide meals under conditions favorable to business discussion. But it does not include civic or public service organizations, professional organizations (such as bar and medical associations), business leagues, trade associations, chambers of commerce, boards of trade, and real estate boards, unless a principal purpose of the organization is to entertain, or provide entertainment facilities for, members or their guests.

There are exceptions to these rules as well as other rules that apply to sky-box rentals and tickets to entertainment events. See chapters 1 and 2 of Pub. 463.

**Standard meal allowance.** Instead of deducting the actual cost of your meals while traveling away from home, you can use the standard meal allowance for your daily meals and incidental expenses. Under this method, you deduct a specified amount, depending on where you travel, instead of keeping records of your actual meal expenses. However, you must still keep records to prove the time, place, and business purpose of your travel.

The standard meal allowance is the federal M&IE rate. You can find these rates on the Internet at [www.gsa.gov](http://www.gsa.gov). Click on "Per Diem Rates" for links to locations inside and outside the continental United States.

See chapter 1 of Pub. 463 for details on how to figure your deduction using the standard meal allowance, including special rules for partial days of travel.

**Amount of deduction.** In most cases, you can deduct only 50% of your business meal and entertainment expenses, including meals incurred while away from home on business. However, for individuals subject to the Department of Transportation (DOT) hours of service limits, that percentage is increased to 80% for business meals consumed during, or incident to, any period of duty for which those limits are in effect. Individuals subject to the DOT hours of service limits include the following.

- Certain air transportation workers (such as pilots, crew, dispatchers, mechanics, and control tower operators) who are under Federal Aviation Administration regulations.
- Interstate truck operators who are under DOT regulations.
- Certain merchant mariners who are under Coast Guard regulations.

However, you can fully deduct meals, incidentals, and entertainment furnished or reimbursed to an employee if you properly treat the expense as wages subject to withholding. You can also fully deduct meals, incidentals, and entertainment provided to a nonemployee to the extent the expenses are includible in the gross income of that person and reported on Form 1099-MISC. See Pub. 535 for details and other exceptions.

**Daycare providers.** If you qualify as a family daycare provider, you can use the standard meal and snack rates, instead of actual costs, to compute the deductible cost of meals and snacks provided to eligible children. See Pub. 587 for details, including recordkeeping requirements.

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## Line 25

Deduct utility expenses only for your trade or business.

**Local telephone service.** If you used your home phone for business, do not deduct the base rate (including taxes) of the first phone line into your residence. But you can deduct any additional costs you incurred for business that are more than the base rate of the first phone line. For example, if you had a second line, you can deduct the business percentage of the charges for that line, including the base rate charges.

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## Line 26

Enter the total salaries and wages for the tax year. Do not include salaries and wages deducted elsewhere on your return or amounts paid to yourself. Reduce your deduction by the amounts claimed on:

- Form 5884, Work Opportunity Credit, line 2;
- Form 8844, Empowerment Zone and Renewal Community Employment Credit, line 2;
- Form 8845, Indian Employment Credit, line 4; and

- Form 8932, Credit for Employer Differential Wage Payments, line 2.



*If you provided taxable fringe benefits to your employees, such as personal use of a car, do not deduct as wages the amount applicable to depreciation and other expenses claimed elsewhere.*

In most cases, you are required to file Form W-2, Wage and Tax Statement, for each employee. See the Instructions for Forms W-2 and W-3.

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## Line 30

**Business use of your home.** You may be able to deduct certain expenses for business use of your home, subject to limitations. You must attach Form 8829 if you claim this deduction. For details, see the Instructions for Form 8829 and Pub. 587.

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## Line 31

If you have a loss, the amount of loss you can deduct this year may be limited. Go to line 32 before entering your loss on line 31. If you answered "No" on line G or are a qualified joint venture reporting only rental real estate, also see the Instructions for Form 8582. Enter the net profit or deductible loss here. Combine this amount with any profit or loss from other businesses and enter the total on both Form 1040, line 12, and Schedule SE, line 2, or on Form 1040NR, line 13. Nonresident aliens using Form 1040NR should also enter the total on Schedule SE, line 2, if you are covered under the U.S. social security system due to an international social security agreement currently in effect. See the Schedule SE instructions for information on international social security agreements. Estates and trusts should enter the total on Form 1041, line 3.

**Excess farm loss rules.** If your Schedule C activity includes processing a farm commodity as part of your farming business, your deductible loss from that activity may be limited if you received certain subsidies. See the Instructions for Schedule F for a list of those subsidies. Use one of the worksheets in the Schedule F instructions to determine if you have an excess farm loss. See the Instructions for Schedule F for more details on how to complete the worksheets.

**Statutory employees.** Include your net profit or deductible loss from line 31 with other Schedule C amounts on Form 1040, line 12, or on Form 1040NR, line 13. However, do not report this amount on Schedule SE, line 2. If you were a statutory employee and are required to file Schedule SE because of other self-employment income, see the Instructions for Schedule SE.

**Rental real estate activity.** Unless you are a qualifying real estate professional, a rental real estate activity is a passive activity, even if you materially participated in the activity. If you have a loss, you may need to file Form 8582 to figure your deductible loss to enter on line 31. See the Instructions for Form 8582.

**Notary public.** Do not enter your net profit from line 31 on Schedule SE, line 2, unless you are required to file Schedule SE because of other self-employment income. See the Instructions for Schedule SE.

**Community income.** If you and your spouse had community income and are filing separate returns, see the Instructions for Schedule SE before figuring self-employment tax.

**Earned income credit.** If you have a net profit on line 31, this amount is earned income and may qualify you for the earned income credit (EIC).



To figure your EIC, use the instructions for Form 1040, lines 64a and 64b. Complete all applicable steps plus Worksheet B. If you are required to file Schedule SE, remember to enter the deductible portion of your self-employment tax in Part I, line 1d, of Worksheet B.

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## Line 32

**At-risk rules.** In most cases, if you have a business loss and amounts invested in the business for which you are not at risk, you must complete Form 6198 to figure your allowable loss. The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the business.

Check box 32b if you have amounts invested in this business for which you are not at risk, such as the following.

- Nonrecourse loans used to finance the business, to acquire property used in the business, or to acquire the business that are not secured by your own property (other than property used in the business). However, there is an exception for certain non-recourse financing borrowed by you in connection with holding real property.

- Cash, property, or borrowed amounts used in the business (or contributed to the business, or used to acquire the business) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casualty insurance and insurance against tort liability).

- Amounts borrowed for use in the business from a person who has an interest in the business, other than as a creditor, or who is related under section 465(b)(3)(C) to a person (other than you) having such an interest.

**Figuring your deductible loss.** If all amounts are at risk in this business, check box 32a. If you answered "Yes" on line G, enter your loss on line 31. But if you answered "No" on line G, you may need to complete Form 8582 to figure your allowable loss to enter on line 31. See the Instructions for Form 8582 for details.

If you checked box 32b, first complete Form 6198 to determine the amount of your deductible loss. If you answered "Yes" on line G, enter that amount on line 31. But if you answered "No" on line G, your loss may be further limited. See the Instructions for Form 8582. If your at-risk amount is zero or less, enter -0- on line 31. Be sure to attach Form 6198 to your return. If you

checked box 32b and you do not attach Form 6198, the processing of your tax return may be delayed.

Any loss from this business not allowed for 2011 only because of the at-risk rules is treated as a deduction allocable to the business in 2012.

For details, see the Instructions for Form 6198 and Pub. 925.

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## Part III. Cost of Goods Sold

In most cases, if you engaged in a trade or business in which the production, purchase, or sale of merchandise was an income-producing factor, you must take inventories into account at the beginning and end of your tax year.

**Exception for certain taxpayers.** If you are a qualifying taxpayer or a qualifying small business taxpayer (discussed next), you can account for inventoriable items in the same manner as materials and supplies that are not incidental. Under this accounting method, inventory costs for raw materials purchased for use in producing finished goods and merchandise purchased for resale are deductible in the year the finished goods or merchandise are sold (but not before the year you paid for the raw materials or merchandise, if you are also using the cash method). Enter amounts paid for all raw materials and merchandise during 2011 on line 36. The amount you can deduct for 2011 is figured on line 42.

**Qualifying taxpayer.** This is a taxpayer (a) whose average annual gross receipts for the 3 prior tax years are \$1 million or less, and (b) whose business is not a tax shelter (as defined in section 448(d)(3)).

**Qualifying small business taxpayer.** This is a taxpayer (a) whose average annual gross receipts for the 3 prior tax years are \$10 million or less, (b) whose business is not a tax shelter (as defined in section 448(d)(3)), and (c) whose principal business activity is not an ineligible activity as explained in Rev. Proc. 2002-28. You can find Rev. Proc. 2002-28 on page 815 of Internal Revenue Bulletin 2002-18 at [www.irs.gov/pub/irs-irbs/irb02-18.pdf](http://www.irs.gov/pub/irs-irbs/irb02-18.pdf).

**Changing accounting methods.** File Form 3115 if you are a qualifying taxpayer or qualifying small business taxpayer and want to change to the cash method or to account for inventoriable items as non-incidental materials and supplies.

**Additional information.** For additional guidance on this method of accounting for inventoriable items, see the following.

- Pub. 538 discusses both exceptions.
- If you are a qualifying taxpayer, see Rev. Proc. 2001-10, on page 272 of Internal Revenue Bulletin 2001-2 at [www.irs.gov/pub/irs-irbs/irb01-02.pdf](http://www.irs.gov/pub/irs-irbs/irb01-02.pdf).
- If you are a qualifying small business taxpayer, see Rev. Proc. 2002-28, on page 815 of Internal Revenue Bulletin 2002-18 at [www.irs.gov/pub/irs-irbs/irb02-18.pdf](http://www.irs.gov/pub/irs-irbs/irb02-18.pdf).



Certain direct and indirect expenses may have to be capitalized or included in inventory. See the Instructions for Part II.

See Pub. 538 for additional information.

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## Line 33

Your inventories can be valued at cost, the lower of cost or market, or any other method approved by the IRS. However, you are required to use cost if you are using the cash method of accounting.

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## Line 35

If you are changing your method of accounting beginning with 2011, refigure last year's closing inventory using your new method of accounting and enter the result on line 35. If there is a difference between last year's closing inventory and the refigured amount, attach an explanation and take it into account when figuring your section 481(a) adjustment. For details, see the example under *Line F*.

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## Line 41

If you account for inventoriable items in the same manner as materials and supplies that are not incidental, enter on line 41 the portion of your raw materials and merchandise purchased for resale that is included on line 40 and was not sold during the year.

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## Part IV. Information on Your Vehicle

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### Line 44b

In most cases, commuting is travel between your home and a work location. If you converted your vehicle during the year from personal to business use (or *vice versa*), enter your commuting miles only for the period you drove your vehicle for business. For information on certain travel that is considered a business expense rather than commuting, see the Instructions for Form 2106.

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## Part V. Other Expenses

Include all ordinary and necessary business expenses not deducted elsewhere on Schedule C. List the type and amount of each expense separately in the space provided. Enter the total on lines 48 and 27a. Do not include the cost of business equipment or furniture, replacements or permanent improvements to property, or personal, living, and family expenses. Do not include charitable contributions. Also, you cannot deduct fines or penalties paid to

a government for violating any law. For details on business expenses, see Pub. 535.

**Amortization.** Include amortization in this part. For amortization that begins in 2011, you must complete and attach Form 4562.

You can elect to amortize such costs as:

- The cost of pollution-control facilities;
- Amounts paid for research and experimentation;
- Qualified revitalization expenditures;
- Amounts paid to acquire, protect, expand, register, or defend trademarks or trade names; or
- Goodwill and certain other intangibles.

In most cases, you cannot amortize real property construction period interest and taxes. Special rules apply for allocating interest to real or personal property produced in your trade or business.

For a complete list, see the Instructions for Form 4562, Part VI.

**At-risk loss deduction.** Any loss from this business that was not allowed as a deduction last year only because of the at-risk rules is treated as a deduction allocable to this business in 2011. For the loss to be deductible, the amount that is "at risk" must be increased.

**Bad debts.** Include debts and partial debts from sales or services that were included in

income and are definitely known to be worthless. If you later collect a debt that you deducted as a bad debt, include it as income in the year collected. For details, see Pub. 535.

**Business start-up costs.** If your business began in 2011, you can elect to deduct up to \$5,000 of certain business start-up costs. The \$5,000 limit is reduced (but not below zero) by the amount by which your total start-up costs exceed \$50,000. Your remaining start-up costs can be amortized over a 180-month period, beginning with the month the business began.

For details, see chapters 7 and 8 of Pub. 535. For amortization that begins in 2011, you must complete and attach Form 4562.

**Costs of making commercial buildings energy efficient.** You may be able to deduct part or all of the cost of modifying existing commercial buildings to make them energy efficient. For details, see section 179D, Notice 2006-52, and Notice 2008-40. Notice 2006-52, 2006-26 I.R.B. 1175, is available at [www.irs.gov/irb/2006-26\\_IRB/ar11.html](http://www.irs.gov/irb/2006-26_IRB/ar11.html). Notice 2008-40, 2008-14 I.R.B. 725, is available at [www.irs.gov/irb/2008-14\\_IRB/ar12.html](http://www.irs.gov/irb/2008-14_IRB/ar12.html).

**Deduction for removing barriers to individuals with disabilities and the elderly.** You may be able to deduct up to \$15,000 of costs paid or incurred in 2011 to

remove architectural or transportation barriers to individuals with disabilities and the elderly. However, you cannot take both a credit (on Form 8826) and a deduction for the same expenditures.

**Qualified disaster expenses.** You can elect to deduct certain expenses you paid or incurred before January 1, 2012, as a result of a federally declared disaster. For more information, see chapter 7 of Pub. 535.

**Film and television production expenses.** You can elect to deduct costs of certain qualified film and television productions. For details, see Pub. 535.

**Forestation and reforestation costs.** Reforestation costs are generally capital expenditures. However, for each qualified timber property, you can elect to expense up to \$10,000 (\$5,000 if married filing separately) of qualifying reforestation costs paid or incurred in 2011.

You can elect to amortize the remaining costs over 84 months. For amortization that begins in 2011, you must complete and attach Form 4562.

The amortization election does not apply to trusts, and the expense election does not apply to estates and trusts. For details on reforestation expenses, see chapters 7 and 8 of Pub. 535.

## Principal Business or Professional Activity Codes

<p>These codes for the Principal Business or Professional Activity classify sole proprietorships by the type of activity they are engaged in to facilitate the administration of the Internal Revenue Code. These six-digit codes are based on the North American Industry Classification System (NAICS).</p>		<p>Select the category that best describes your primary business activity (for example, Real Estate). Then select the activity that best identifies the principal source of your sales or receipts (for example, real estate agent). Now find the six-digit code assigned to this activity (for example, 531210, the code for offices</p>		<p>of real estate agents and brokers) and enter it on Schedule C or C-EZ, line B.</p> <p><b>Note.</b> If your principal source of income is from farming activities, you should file Schedule F.</p>	
<p><b>Accommodation, Food Services, &amp; Drinking Places</b></p> <p><b>Accommodation</b></p> <p>721310 Rooming &amp; boarding houses</p> <p>721210 RV (recreational vehicle) parks &amp; recreational camps</p> <p>721100 Traveler accommodation (including hotels, motels, &amp; bed &amp; breakfast inns)</p> <p><b>Food Services &amp; Drinking Places</b></p> <p>722410 Drinking places (alcoholic beverages)</p> <p>722110 Full-service restaurants</p> <p>722210 Limited-service eating places</p> <p>722300 Special food services (including food service contractors &amp; caterers)</p>	<p>561210 Facilities support (management) services</p> <p>561600 Investigation &amp; security services</p> <p>561720 Janitorial services</p> <p>561730 Landscaping services</p> <p>561110 Office administrative services</p> <p>561420 Telephone call centers (including telephone answering services &amp; telemarketing bureaus)</p> <p>561500 Travel arrangement &amp; reservation services</p> <p>561490 Other business support services (including repossession services, court reporting, &amp; stenotype services)</p> <p>561790 Other services to buildings &amp; dwellings</p> <p>561900 Other support services (including packaging &amp; labeling services, &amp; convention &amp; trade show organizers)</p> <p><b>Waste Management &amp; Remediation Services</b></p> <p>562000 Waste management &amp; remediation services</p>	<p>113000 Forestry &amp; logging (including forest nurseries &amp; timber tracts)</p> <p>114210 Hunting &amp; trapping</p> <p><b>Support Activities for Agriculture &amp; Forestry</b></p> <p>115210 Support activities for animal production (including farriers)</p> <p>115110 Support activities for crop production (including cotton ginning, soil preparation, planting, &amp; cultivating)</p> <p>115310 Support activities for forestry</p>	<p>711510 Independent artists, writers, &amp; performers</p> <p>711100 Performing arts companies</p> <p>711300 Promoters of performing arts, sports, &amp; similar events</p> <p>711210 Spectator sports (including professional sports clubs &amp; racetrack operations)</p>	<p><b>Construction of Buildings</b></p> <p>236200 Nonresidential building construction</p> <p>236100 Residential building construction</p> <p><b>Heavy and Civil Engineering Construction</b></p> <p>237310 Highway, street, &amp; bridge construction</p> <p>237210 Land subdivision</p> <p>237100 Utility system construction</p> <p>237990 Other heavy &amp; civil engineering construction</p> <p><b>Specialty Trade Contractors</b></p> <p>238310 Drywall &amp; insulation contractors</p> <p>238210 Electrical contractors</p> <p>238350 Finish carpentry contractors</p> <p>238330 Flooring contractors</p> <p>238130 Framing carpentry contractors</p> <p>238150 Glass &amp; glazing contractors</p> <p>238140 Masonry contractors</p> <p>238320 Painting &amp; wall covering contractors</p> <p>238220 Plumbing, heating &amp; air-conditioning contractors</p>	
<p><b>Administrative &amp; Support and Waste Management &amp; Remediation Services</b></p> <p><b>Administrative &amp; Support Services</b></p> <p>561430 Business service centers (including private mail centers &amp; copy shops)</p> <p>561740 Carpet &amp; upholstery cleaning services</p> <p>561440 Collection agencies</p> <p>561450 Credit bureaus</p> <p>561410 Document preparation services</p> <p>561300 Employment services</p> <p>561710 Exterminating &amp; pest control services</p>	<p><b>Agriculture, Forestry, Hunting, &amp; Fishing</b></p> <p>112900 Animal production (including breeding of cats and dogs)</p> <p>114110 Fishing</p>	<p><b>Arts, Entertainment, &amp; Recreation</b></p> <p><b>Amusement, Gambling, &amp; Recreation Industries</b></p> <p>713100 Amusement parks &amp; arcades</p> <p>713200 Gambling industries</p> <p>713900 Other amusement &amp; recreation services (including golf courses, skiing facilities, marinas, fitness centers, bowling centers, skating rinks, miniature golf courses)</p> <p><b>Museums, Historical Sites, &amp; Similar Institutions</b></p> <p>712100 Museums, historical sites, &amp; similar institutions</p> <p><b>Performing Arts, Spectator Sports, &amp; Related Industries</b></p> <p>711410 Agents &amp; managers for artists, athletes, entertainers, &amp; other public figures</p>			

**Principal Business or Professional Activity Codes (continued)**

238110 Poured concrete foundation & structure contractors	621900 Other ambulatory health care services (including ambulance services, blood, & organ banks)	<b>Food Manufacturing</b> 311110 Animal food mfg. 311800 Bakeries & tortilla mfg. 311500 Dairy product mfg. 311400 Fruit & vegetable preserving & speciality food mfg. 311200 Grain & oilseed milling 311610 Animal slaughtering & processing 311710 Seafood product preparation & packaging 311300 Sugar & confectionery product mfg. 311900 Other food mfg. (including coffee, tea, flavorings, & seasonings)	811210 Electronic & precision equipment repair & maintenance
238160 Roofing contractors	<b>Hospitals</b> 622000 Hospitals		811430 Footwear & leather goods repair
238170 Siding contractors	<b>Nursing &amp; Residential Care Facilities</b> 623000 Nursing & residential care facilities	<b>Leather &amp; Allied Product Manufacturing</b> 316210 Footwear mfg. (including leather, rubber, & plastics) 316110 Leather & hide tanning & finishing 316990 Other leather & allied product mfg.	811410 Home & garden equipment & appliance repair & maintenance
238910 Site preparation contractors	<b>Social Assistance</b> 624410 Child day care services 624200 Community food & housing, & emergency & other relief services		811420 Reupholstery & furniture repair
238120 Structural steel & precast concrete construction contractors	624100 Individual & family services	<b>Nonmetallic Mineral Product Manufacturing</b> 327300 Cement & concrete product mfg. 327100 Clay product & refractory mfg. 327210 Glass & glass product mfg. 327400 Lime & gypsum product mfg. 327900 Other nonmetallic mineral product mfg.	811490 Other personal & household goods repair & maintenance
238340 Tile & terrazzo contractors	624310 Vocational rehabilitation services		<b>Professional, Scientific, &amp; Technical Services</b> 541100 Legal services 541211 Offices of certified public accountants 541214 Payroll services 541213 Tax preparation services 541219 Other accounting services
238290 Other building equipment contractors	<b>Information</b> 511000 Publishing industries (except Internet)	<b>Mining</b> 212110 Coal mining 212200 Metal ore mining 212300 Nonmetallic mineral mining & quarrying 211110 Oil & gas extraction 213110 Support activities for mining	<b>Architectural, Engineering, &amp; Related Services</b> 541310 Architectural services 541350 Building inspection services 541340 Drafting services 541330 Engineering services 541360 Geophysical surveying & mapping services 541320 Landscape architecture services 541370 Surveying & mapping (except geophysical) services 541380 Testing laboratories
238390 Other building finishing contractors	<b>Broadcasting (except Internet) &amp; Telecommunications</b> 515000 Broadcasting (except Internet) 517000 Telecommunications & Internet service providers		<b>Computer Systems Design &amp; Related Services</b> 541510 Computer systems design & related services
238190 Other foundation, structure, & building exterior contractors	<b>Data Processing Services</b> 518210 Data processing, hosting, & related services 519100 Other information services (including news syndicates & libraries, Internet publishing & broadcasting)	<b>Other Services</b> <b>Personal &amp; Laundry Services</b> 812111 Barber shops 812112 Beauty salons 812220 Cemeteries & crematories 812310 Coin-operated laundries & drycleaners 812320 Drycleaning & laundry services (except coin-operated) (including laundry & drycleaning dropoff & pickup sites) 812210 Funeral homes & funeral services 812330 Linen & uniform supply 812113 Nail salons 812930 Parking lots & garages 812910 Pet care (except veterinary) services 812920 Photofinishing 812190 Other personal care services (including diet & weight reducing centers) 812990 All other personal services	<b>Specialized Design Services</b> 541400 Specialized design services (including interior, industrial, graphic, & fashion design)
238990 All other specialty trade contractors	<b>Motion Picture &amp; Sound Recording</b> 512100 Motion picture & video industries (except video rental) 512200 Sound recording industries		<b>Other Professional, Scientific, &amp; Technical Services</b> 541800 Advertising & related services 541600 Management, scientific, & technical consulting services 541910 Market research & public opinion polling 541920 Photographic services 541700 Scientific research & development services 541930 Translation & interpretation services 541940 Veterinary services 541990 All other professional, scientific, & technical services
<b>Educational Services</b> 611000 Educational services (including schools, colleges, & universities)	<b>Manufacturing</b> 315000 Apparel mfg. 312000 Beverage & tobacco product mfg. 334000 Computer & electronic product mfg. 335000 Electrical equipment, appliance, & component mfg. 332000 Fabricated metal product mfg. 337000 Furniture & related product mfg. 333000 Machinery mfg. 339110 Medical equipment & supplies mfg. 322000 Paper mfg. 324100 Petroleum & coal products mfg. 326000 Plastics & rubber products mfg. 331000 Primary metal mfg. 323100 Printing & related support activities 313000 Textile mills 314000 Textile product mills 336000 Transportation equipment mfg. 321000 Wood product mfg. 339900 Other miscellaneous mfg.	<b>Repair &amp; Maintenance</b> 811120 Automotive body, paint, interior, & glass repair 811110 Automotive mechanical & electrical repair & maintenance 811190 Other automotive repair & maintenance (including oil change & lubrication shops & car washes) 811310 Commercial & industrial machinery & equipment (except automotive & electronic) repair & maintenance	<b>Real Estate &amp; Rental &amp; Leasing</b> <b>Real Estate</b> 531100 Lessors of real estate (including miniwarehouses & self-storage units) 531210 Offices of real estate agents & brokers 531320 Offices of real estate appraisers 531310 Real estate property managers 531390 Other activities related to real estate
<b>Finance &amp; Insurance</b> <b>Credit Intermediation &amp; Related Activities</b> 522100 Depository credit intermediation (including commercial banking, savings institutions, & credit unions) 522200 Nondepository credit intermediation (including sales financing & consumer lending) 522300 Activities related to credit intermediation (including loan brokers)	<b>Chemical Manufacturing</b> 325100 Basic chemical mfg. 325500 Paint, coating, & adhesive mfg. 325300 Pesticide, fertilizer, & other agricultural chemical mfg. 325410 Pharmaceutical & medicine mfg. 325200 Resin, synthetic rubber, & artificial & synthetic fibers & filaments mfg. 325600 Soap, cleaning compound, & toilet preparation mfg. 325900 Other chemical product & preparation mfg.		<b>Rental &amp; Leasing Services</b> 532100 Automotive equipment rental & leasing 532400 Commercial & industrial machinery & equipment rental & leasing 532210 Consumer electronics & appliances rental 532220 Formal wear & costume rental
<b>Insurance Agents, Brokers, &amp; Related Activities</b> 524210 Insurance agencies & brokerages 524290 Other insurance related activities			
<b>Securities, Commodity Contracts, &amp; Other Financial Investments &amp; Related Activities</b> 523140 Commodity contracts brokers 523130 Commodity contracts dealers 523110 Investment bankers & securities dealers 523210 Securities & commodity exchanges 523120 Securities brokers 523900 Other financial investment activities (including investment advice)			
<b>Health Care &amp; Social Assistance</b> <b>Ambulatory Health Care Services</b> 621610 Home health care services 621510 Medical & diagnostic laboratories 621310 Offices of chiropractors 621210 Offices of dentists 621330 Offices of mental health practitioners (except physicians) 621320 Offices of optometrists 621340 Offices of physical, occupational & speech therapists, & audiologists 621111 Offices of physicians (except mental health specialists) 621112 Offices of physicians, mental health specialists 621391 Offices of podiatrists 621399 Offices of all other miscellaneous health practitioners 621400 Outpatient care centers			

**Principal Business or Professional Activity Codes (continued)**

532310 General rental centers 532230 Video tape & disc rental 532290 Other consumer goods rental	<b>Gasoline Stations</b> 447100 Gasoline stations (including convenience stores with gas)	454113 Mail-order houses 454210 Vending machine operators 454390 Other direct selling establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)	423300 Lumber & other construction materials 423800 Machinery, equipment, & supplies 423500 Metal & mineral (except petroleum) 423100 Motor vehicle & motor vehicle parts & supplies 423400 Professional & commercial equipment & supplies 423930 Recyclable materials 423910 Sporting & recreational goods & supplies 423920 Toy & hobby goods & supplies 423990 Other miscellaneous durable goods
<b>Religious, Grantmaking, Civic, Professional, &amp; Similar Organizations</b> 813000 Religious, grantmaking, civic, professional, & similar organizations	<b>General Merchandise Stores</b> 452000 General merchandise stores <b>Health &amp; Personal Care Stores</b> 446120 Cosmetics, beauty supplies, & perfume stores 446130 Optical goods stores 446110 Pharmacies & drug stores 446190 Other health & personal care stores	<b>Transportation &amp; Warehousing</b> 481000 Air transportation 485510 Charter bus industry 484110 General freight trucking, local 484120 General freight trucking, long distance 485210 Interurban & rural bus transportation 486000 Pipeline transportation 482110 Rail transportation 487000 Scenic & sightseeing transportation 485410 School & employee bus transportation 484200 Specialized freight trucking (including household moving vans) 485300 Taxi & limousine service 485110 Urban transit systems 483000 Water transportation 485990 Other transit & ground passenger transportation 488000 Support activities for transportation (including motor vehicle towing)	<b>Merchant Wholesalers, Nondurable Goods</b> 424300 Apparel, piece goods, & notions 424800 Beer, wine, & distilled alcoholic beverage 424920 Books, periodicals, & newspapers 424600 Chemical & allied products 424210 Drugs & druggists' sundries 424500 Farm product raw materials 424910 Farm supplies 424930 Flower, nursery stock, & florists' supplies 424400 Grocery & related products 424950 Paint, varnish, & supplies 424100 Paper & paper products 424700 Petroleum & petroleum products 424940 Tobacco & tobacco products 424990 Other miscellaneous nondurable goods
<b>Retail Trade</b> <b>Building Material &amp; Garden Equipment &amp; Supplies Dealers</b> 444130 Hardware stores 444110 Home centers 444200 Lawn & garden equipment & supplies stores 444120 Paint & wallpaper stores 444190 Other building materials dealers <b>Clothing &amp; Accessories Stores</b> 448130 Children's & infants' clothing stores 448150 Clothing accessories stores 448140 Family clothing stores 448310 Jewelry stores 448320 Luggage & leather goods stores 448110 Men's clothing stores 448210 Shoe stores 448120 Women's clothing stores 448190 Other clothing stores <b>Electronic &amp; Appliance Stores</b> 443130 Camera & photographic supplies stores 443120 Computer & software stores 443111 Household appliance stores 443112 Radio, television, & other electronics stores <b>Food &amp; Beverage Stores</b> 445310 Beer, wine, & liquor stores 445220 Fish & seafood markets 445230 Fruit & vegetable markets 445100 Grocery stores (including supermarkets & convenience stores without gas) 445210 Meat markets 445290 Other specialty food stores <b>Furniture &amp; Home Furnishing Stores</b> 442110 Furniture stores 442200 Home furnishings stores	<b>Motor Vehicle &amp; Parts Dealers</b> 441300 Automotive parts, accessories, & tire stores 441222 Boat dealers 441221 Motorcycle dealers 441110 New car dealers 441210 Recreational vehicle dealers (including motor home & travel trailer dealers) 441120 Used car dealers 441229 All other motor vehicle dealers <b>Sporting Goods, Hobby, Book, &amp; Music Stores</b> 451211 Book stores 451120 Hobby, toy, & game stores 451140 Musical instrument & supplies stores 451212 News dealers & newsstands 451220 Prerecorded tape, compact disc, & record stores 451130 Sewing, needlework, & piece goods stores 451110 Sporting goods stores <b>Miscellaneous Store Retailers</b> 453920 Art dealers 453110 Florists 453220 Gift, novelty, & souvenir stores 453930 Manufactured (mobile) home dealers 453210 Office supplies & stationery stores 453910 Pet & pet supplies stores 453310 Used merchandise stores 453990 All other miscellaneous store retailers (including tobacco, candle, & trophy shops) <b>Nonstore Retailers</b> 454112 Electronic auctions 454111 Electronic shopping 454310 Fuel dealers	<b>Couriers &amp; Messengers</b> 492000 Couriers & messengers <b>Warehousing &amp; Storage Facilities</b> 493100 Warehousing & storage (except leases of miniwarehouses & self-storage units) <b>Utilities</b> 221000 Utilities <b>Wholesale Trade</b> <b>Merchant Wholesalers, Durable Goods</b> 423600 Electrical & electronic goods 423200 Furniture & home furnishing 423700 Hardware, & plumbing & heating equipment & supplies 423940 Jewelry, watch, precious stone, & precious metals	<b>Wholesale Electronic Markets and Agents &amp; Brokers</b> 425110 Business to business electronic markets 425120 Wholesale trade agents & brokers <b>999999 Unclassified establishments (unable to classify)</b>



# 2011 Instructions for Schedule D (and Form 8949)

## Capital Gains and Losses

These instructions explain how to complete Form 8949 and Schedule D (Form 1040). Form 8949 is new. Many transactions that, in previous years, would have been reported on Schedule D or D-1 must be reported on Form 8949 if they occur in 2011. Complete Form 8949 before you complete line 1, 2, 3, 8, 9, or 10 of Schedule D.

Use Form 8949 to report:

- The sale or exchange of a capital asset (defined below) not reported on another form or schedule,
- Gains from involuntary conversions (other than from casualty or theft) of capital assets not held for business or profit, and
- Nonbusiness bad debts.

Use Schedule D:

- To figure the overall gain or loss from transactions reported on Form 8949,
- To report a gain from Form 2439 or 6252 or Part I of Form 4797,
- To report a gain or loss from Form 4684, 6781, or 8824,
- To report a gain or loss from a partnership, S corporation, estate or trust,
- To report capital gain distributions not reported directly on Form 1040, line 13 (or effectively connected capital gain distributions not reported directly on Form 1040NR, line 14), and
- To report a capital loss carryover from 2010 to 2011.

**Additional information.** See Pub. 544 and Pub. 550 for more details. For a comprehensive filled-in example of both Form 8949 and Schedule D, see Pub. 550.

Section references are to the Internal Revenue Code unless otherwise noted.

### What's New

The IRS has created a page on [IRS.gov](http://IRS.gov) for information about Form 8949 and Schedule D at [www.irs.gov/form8949](http://www.irs.gov/form8949). Information about any tax law changes or other new developments affecting Schedule D or Form 8949 will be posted on that page.

**Form 8949.** Form 8949 is new. Many transactions that, in previous years, would have been reported on Schedule D or D-1 must be reported on Form 8949 if they occur in 2011. Complete all necessary pages of Form 8949 before completing line 1, 2, 3, 8, 9, or 10 of Schedule D. Instructions for how to complete Form 8949 are included in these instructions.

**Basis on Form 1099-B.** If you sold a covered security in 2011, your broker will send you a Form 1099-B (or substitute statement) that shows your basis. This will help you complete Form 8949. Generally, a covered security is a security you acquired after 2010, with certain exceptions explained in the instructions for Form 8949, column (f).

**Adjustments to gain or loss on Form 8949.** In certain situations, you must put a code in

column (b) of Form 8949 and report an adjustment to your gain or loss in column (g). See the instructions for Form 8949, columns (b) and (g).

**Short sales.** Some instructions for reporting short sales have changed. See the instructions for Form 8949, columns (c) and (d).

**Schedule D-1.** For 2011 transactions, Schedule D-1 is no longer in use. Form 8949 replaces it.

## General Instructions

### Other Forms You May Have To File

Use Form 4797 to report the following.

1. The sale or exchange of:
  - a. Property used in a trade or business;
  - b. Depreciable and amortizable property;
  - c. Oil, gas, geothermal, or other mineral property; and
  - d. Section 126 property.
2. The involuntary conversion (other than from casualty or theft) of property used in a trade or business and capital assets held for business or profit.

3. The disposition of noncapital assets other than inventory or property held primarily for sale to customers in the ordinary course of your trade or business.

4. Ordinary loss on the sale, exchange, or worthlessness of small business investment company (section 1242) stock.

5. Ordinary loss on the sale, exchange, or worthlessness of small business (section 1244) stock.

6. Ordinary gain or loss on securities held in connection with your trading business, if you previously made a mark-to-market election. See *Traders in Securities*, later.

Use Form 4684 to report involuntary conversions of property due to casualty or theft.

Use Form 6781 to report gains and losses from section 1256 contracts and straddles.

Use Form 8824 to report like-kind exchanges. A like-kind exchange occurs when you exchange business or investment property for property of a like kind.

### Capital Asset

Most property you own and use for personal purposes, pleasure, or investment is a capital asset. For example, your house, furniture, car, stocks, and bonds are capital

assets. A capital asset is any property held by you except the following.

- Stock in trade or other property included in inventory or held mainly for sale to customers. But see the *Tip* about certain musical compositions or copyrights, later.

- Accounts or notes receivable for services performed in the ordinary course of your trade or business or as an employee, or from the sale of stock in trade or other property held mainly for sale to customers.

- Depreciable property used in your trade or business, even if it is fully depreciated.

- Real estate used in your trade or business.

- Copyrights, literary, musical, or artistic compositions, letters or memoranda, or similar property (a) created by your personal efforts; (b) prepared or produced for you (in the case of letters, memoranda, or similar property); or (c) that you received from someone who created them or for whom they were created, as mentioned in (a) or (b), in a way (such as by gift) that entitled you to the basis of the previous owner. But see the *Tip* about certain musical compositions or copyrights, later.

- U.S. Government publications, including the Congressional Record, that you received from the Government, other than by purchase at the normal sales price, or that you got from someone who had received it in a similar way, if your basis is determined by reference to the previous owner's basis.

- Certain commodities derivative financial instruments held by a dealer and not connected to the dealer's activities as a dealer. See section 1221(a)(6).

- Certain hedging transactions entered into in the normal course of your trade or business. See section 1221(a)(7).

- Supplies regularly used in your trade or business.



*You can elect to treat as capital assets certain musical compositions or copyrights you sold or exchanged. See Pub. 550 for details.*

## Basis and Recordkeeping

Basis is the amount of your investment in property for tax purposes. The basis of property you buy is usually its cost. You need to know your basis to figure any gain or loss on the sale or other disposition of the property. You must keep accurate records that show the basis and, if applicable, adjusted basis of your property. Your records should show the purchase price, including commissions; increases to basis, such as the cost of improvements; and decreases to basis, such as depreciation, non-dividend distributions on stock, and stock splits.

For more information on basis, see the instructions for Form 8949, column (f), later, and these publications.

- Pub. 551, Basis of Assets.

- Pub. 550, Investment Income and Expenses (Including Capital Gains and Losses).

If you lost or did not keep records to determine your basis in securities, contact your broker for help.



The IRS partners with companies that offer Form 8949 software that can import trades from many brokerage firms and accounting software to help you keep track of your adjusted basis in securities. To find out more, go to [www.irs.gov/efile](http://www.irs.gov/efile).

## Short Term or Long Term

Separate your capital gains and losses according to how long you held or owned the property. The holding period for short-term capital gains and losses is 1 year or less. The holding period for long-term capital gains and losses is more than 1 year. To figure the holding period, begin counting on the day after you received the property and include the day you disposed of it.

If you disposed of property that you acquired by inheritance from someone who died before or after 2010, report the disposition as a long-term gain or loss, regardless of how long you held the property. Also report the disposition as a long-term gain or loss if you acquired the property from someone who died in 2010 and the executor of the decedent's estate did not elect to file Form 8939, Allocation of Increase in Basis for Property Acquired From a Decedent. If you acquired the property from someone who died in 2010 and the executor made the election to file Form 8939, see Pub. 4895.

A nonbusiness bad debt must be treated as a short-term capital loss. See Pub. 550 for what qualifies as a nonbusiness bad debt and how to enter it on Form 8949.

## Capital Gain Distributions

These distributions are paid by a mutual fund (or other regulated investment company) or real estate investment trust from its net realized long-term capital gains. Distributions of net realized short-term capital gains are not treated as capital gains. Instead, they are included on Form 1099-DIV as ordinary dividends.

Enter on Schedule D, line 13, the total capital gain distributions paid to you during the year, regardless of how long you held your investment. This amount is shown in box 2a of Form 1099-DIV.

If there is an amount in box 2b, include that amount on line 11 of the Unrecaptured Section 1250 Gain Worksheet in these instructions if you complete line 19 of Schedule D.

If there is an amount in box 2c, see *Exclusion of Gain on Qualified Small Business (QSB) Stock*, later.

If there is an amount in box 2d, include that amount on line 4 of the 28% Rate Gain Worksheet in these instructions if you complete line 18 of Schedule D.

If you received capital gain distributions as a nominee (that is, they were paid to you but actually belong to someone else), report on Schedule D, line 13, only the amount that belongs to you. Attach a statement showing the full amount you received and the amount you received as a nominee. See the Instructions for Schedule B to learn about the requirement for you to file Forms 1099-DIV and 1096.

## Sale of Your Home

Report the sale or exchange of your main home on Form 8949 if:

- You cannot exclude all of your gain from income, or

- You received a Form 1099-S for the sale or exchange.

Any gain you cannot exclude is taxable. Generally, if you meet the two following tests, you can exclude up to \$250,000 of gain. If both you and your spouse meet these tests and you file a joint return, you can exclude up to \$500,000 of gain (but only one spouse needs to meet the ownership requirement in *Test 1*).

**Test 1.** During the 5-year period ending on the date you sold or exchanged your home, you owned it for 2 years or more (the ownership requirement) and lived in it as your main home for 2 years or more (the use requirement).

**Test 2.** You have not excluded gain on the sale or exchange of another main home during the 2-year period ending on the date of the sale or exchange of your home.

Even if you do not meet one or both of the above two tests, you still can claim an exclusion if you sold or exchanged the home because of a change in place of employment, health, or certain unforeseen circumstances. In this case, the maximum amount of gain you can exclude is reduced.

If your spouse died before the sale or exchange, you can exclude up to \$500,000 of gain if:

- The sale or exchange is no later than 2 years after your spouse's death,

- Just before your spouse's death, both spouses met the use requirement of *Test 1*, at least one spouse met the ownership requirement of *Test 1*, and both spouses met *Test 2*, and

- You did not remarry before the sale or exchange.

You can choose to have the 5-year test period for ownership and use in *Test 1* suspended during any period you or your spouse serve outside the United States as a Peace Corps volunteer or serve on qualified official extended duty as a member of the

uniformed services or Foreign Service of the United States, as an employee of the intelligence community, or outside the United States as an employee of the Peace Corps. This means you may be able to meet *Test 1* even if, because of your service, you did not actually use the home as your main home for at least the required 2 years during the 5-year period ending on the date of sale.

You cannot exclude any gain if:

- You acquired your home in a like-kind exchange in which all or part of the gain was not recognized, and
- You sold or exchanged the home during the 5-year period beginning on the date you acquired it.

If you have to report the sale or exchange, report it on Form 8949. If the gain or loss is short-term, report it on line 1. If the gain or loss is long-term, report it on line 3. Check box C at the top of this Form 8949.

If you had a gain and can exclude part or all of it, enter "H" in column (b). Enter the amount of the exclusion as a negative number (in parentheses) in column (g). See the instructions for Form 8949, columns (b) and (g), later. Complete all columns.

See Pub. 523 for additional details, including how to figure and report any taxable gain if:

- You (or your spouse if married) used any part of the home for business or rental purposes after May 6, 1997, or
- There was a period of time after 2008 when the home was not your main home.

## Partnership Interests

A sale or other disposition of an interest in a partnership may result in ordinary income, collectibles gain (28% rate gain), or unrecaptured section 1250 gain. For details on 28% rate gain, see the instructions for line 18 of Schedule D. For details on unrecaptured section 1250 gain, see the instructions for line 19 of Schedule D.

## Capital Assets Held for Personal Use

Generally, gain from the sale or exchange of a capital asset held for personal use is a capital gain. Report it on Form 8949, Part I or Part II, with box C checked. However, if you converted depreciable property to personal use, all or part of the gain on the sale or exchange of that property may have to be recaptured as ordinary income. Use Part III of Form 4797 to figure the amount of ordinary income recapture. The recapture amount is included on line 31 (and line 13) of Form 4797. Do not enter any gain from this property on line 32 of Form 4797. If you are not completing Part III for any other properties, enter "N/A" on line 32. If the total gain is more than the recapture amount, enter "From Form 4797" in column (a) of line 1 or line 3 of Form 8949, and skip columns (b) through (d). In col-

umn (e), enter the excess of the total gain over the recapture amount. Leave columns (f) and (g) blank. Be sure to check box C at the top of this Form 8949.

Loss from the sale or exchange of a capital asset held for personal use is not deductible. But if you had a loss from the sale or exchange of real estate held for personal use for which you received a Form 1099-S, you must report the transaction on Form 8949 even though the loss is not deductible. For example, you have a loss on the sale of a vacation home that is not your main home and you received a Form 1099-S for the transaction. Report the transaction on line 1 or line 3 of Form 8949, depending on how long you owned the home. Complete all columns. Because the loss is not deductible, enter "L" in column (b). Enter the difference between column (e) and column (f) as a positive amount in column (g). For example, if you entered \$5,000 in column (e) and \$6,000 in column (f), enter \$1,000 in column (g). Be sure to check box C at the top of this Form 8949.

## Capital Losses

You can deduct capital losses up to the amount of your capital gains plus \$3,000 (\$1,500 if married filing separately). You may be able to use capital losses that exceed this limit in future years. For details, see the instructions for line 21 of Schedule D. Be sure to report all of your capital gains and losses even if you cannot use all of your losses in 2011.

## Nondeductible Losses

Do not deduct a loss from the direct or indirect sale or exchange of property between any of the following.

- Members of a family.
- A corporation and an individual owning more than 50% of the corporation's stock (unless the loss is from a distribution in complete liquidation of a corporation).
- A grantor and a fiduciary of a trust.
- A fiduciary and a beneficiary of the same trust.
- A fiduciary and a beneficiary of another trust created by the same grantor.
- An executor of an estate and a beneficiary of that estate, unless the sale or exchange was to satisfy a pecuniary bequest (that is, a bequest of a sum of money).
- An individual and a tax-exempt organization controlled by the individual or the individual's family.

Report a transaction that results in a nondeductible loss on line 1 or line 3 of Form 8949, depending on how long you held the property. Unless you received a Form 1099-B for the sale or exchange, check box C at the top of this Form 8949. Complete all columns. Because the loss is not deductible, enter "L" in column (b). Enter the amount of the nondeductible loss as a positive number in column (g). See the

instructions for Form 8949, columns (b) and (g), later.

See Pub. 544 for more details on sales and exchanges between related parties.

**Example.** You sold land you held as an investment for 5 years to your brother for \$10,000. Your basis was \$15,000. On Form 8949, check box C at the top. Enter \$10,000 on Form 8949, line 3, column (e). Enter \$15,000 in column (f). Because the loss is not deductible, enter "L" in column (b) and \$5,000 (the difference between \$10,000 and \$15,000) in column (g). If this is your only transaction on this Form 8949, enter \$10,000 on Schedule D, line 10, column (e). Enter \$15,000 in column (f) and \$5,000 in column (g). In column (h), enter -0- (\$15,000 - \$10,000 - \$5,000).

**At-risk rules.** If you disposed of (a) an asset used in an activity to which the at-risk rules apply or (b) any part of your interest in an activity to which the at-risk rules apply, and you have amounts in the activity for which you are not at risk, see the Instructions for Form 6198.

**Passive activity rules.** If the loss is allowable under the at-risk rules, it then may be subject to the passive activity rules. See Form 8582 and its instructions for details on reporting capital gains and losses from a passive activity.

## Items for Special Treatment

- Transactions by a securities dealer. See section 1236.
- Bonds and other debt instruments. See Pub. 550.
- Certain real estate subdivided for sale that may be considered a capital asset. See section 1237.
- Gain on the sale of depreciable property to a more than 50% owned entity or to a trust of which you are a beneficiary. See Pub. 544.
- Gain on the disposition of stock in an interest charge domestic international sales corporation. See section 995(c).
- Gain on the sale or exchange of stock in certain foreign corporations. See section 1248.
- Transfer of property to a partnership that would be treated as an investment company if it were incorporated. See Pub. 541.
- Sales of stock received under a qualified public utility dividend reinvestment plan. See Pub. 550.
- Transfer of appreciated property to a political organization. See section 84.
- Transfer of property by a U.S. person to a foreign estate or trust. See section 684.
- If you give up your U.S. citizenship after June 16, 2008, you may be treated as having sold all your property for its fair market value on the day before you gave up your citizenship. This also applies to long-term U.S. residents who cease to be

lawful permanent residents after June 16, 2008. For details, exceptions, and rules for reporting these deemed sales, see Pub. 519 and Form 8854.

- In general, no gain or loss is recognized on the transfer of property from an individual to a spouse or a former spouse if the transfer is incident to a divorce. See Pub. 504.

- Amounts received on the retirement of a debt instrument generally are treated as received in exchange for the debt instrument. See Pub. 550.

- Any loss on the disposition of converted wetland or highly erodible cropland that is first used for farming after March 1, 1986, is reported as a long-term capital loss on Form 8949, but any gain is reported as ordinary income on Form 4797.

- If qualified dividends that you reported on Form 1040, line 9b, or Form 1040NR, line 10b, include extraordinary dividends, any loss on the sale or exchange of the stock is a long-term capital loss to the extent of the extraordinary dividends. An extraordinary dividend is a dividend that equals or exceeds 10% (5% in the case of preferred stock) of your basis in the stock.

- Amounts received by shareholders in corporate liquidations. See Pub. 550.

- Cash received in lieu of fractional shares of stock as a result of a stock split or stock dividend. See Pub. 550.

- Load charges to acquire stock in a regulated investment company (including a mutual fund), which may not be taken into account in determining gain or loss on certain dispositions of the stock if reinvestment rights were exercised. See Pub. 550.

- The sale or exchange of S corporation stock or an interest in a trust held for more than 1 year, which may result in collectible gain (28% rate gain). See the instructions for line 18 of Schedule D.

- Gain or loss on the disposition of securities futures contracts. See Pub. 550.

- Gain on the constructive sale of certain appreciated financial positions. See Pub. 550.

- Certain constructive ownership transactions. Gain in excess of the gain you would have recognized if you had held a financial asset directly during the term of a derivative contract must be treated as ordinary income. See section 1260. If any portion of the constructive ownership transaction was open in any prior year, you may have to pay interest. See section 1260(b) for details, including how to figure the interest. Include the interest as an additional tax on Form 1040, line 60 (or Form 1040NR, line 59). Write "Section 1260(b) interest" and the amount of the interest to the left of line 60 (or Form 1040NR, line 59). This interest is not deductible.

- Gain or loss from the disposition of stock or other securities in an investment club. See Pub. 550.

## Wash Sales

A wash sale occurs when you sell or otherwise dispose of stock or securities (including a contract or option to acquire or sell stock or securities) at a loss and, within 30 days before or after the sale or disposition, you:

1. Buy substantially identical stock or securities,
2. Acquire substantially identical stock or securities in a fully taxable trade,
3. Enter into a contract or option to acquire substantially identical stock or securities, or
4. Acquire substantially identical stock or securities for your individual retirement arrangement (IRA) or Roth IRA.

You cannot deduct losses from wash sales unless the loss was incurred in the ordinary course of your business as a dealer in stock or securities. The basis of the substantially identical property (or contract or option to acquire such property) is its cost increased by the disallowed loss (except in the case of (4) above).

If you received a Form 1099-B (or substitute statement), box 5 of that form will show any nondeductible wash sale loss if:

- The stock or securities sold were covered securities (defined in the instructions for Form 8949, column (f), later), and

- The substantially identical stock or securities you bought had the same CUSIP number as the stock or securities you sold and were bought in the same account as the stock or securities you sold.

However, you cannot deduct a loss from a wash sale even if it is not reported on Form 1099-B (or substitute statement). For more details on wash sales, see Pub. 550.

Report a wash sale transaction on line 1 or line 3 of Form 8949 with the appropriate box checked. Complete all columns. Enter "W" in column (b). Enter as a positive number in column (g) the amount of the loss not allowed. See the instructions for Form 8949, columns (b) and (g), later.

## Traders in Securities

You are a trader in securities if you are engaged in the business of buying and selling securities for your own account. To be engaged in business as a trader in securities, all of the following statements must be true.

- You must seek to profit from daily market movements in the prices of securities and not from dividends, interest, or capital appreciation.

- Your activity must be substantial.

- You must carry on the activity with continuity and regularity.

The following facts and circumstances should be considered in determining if your activity is a business.

- Typical holding periods for securities bought and sold.

- The frequency and dollar amount of your trades during the year.

- The extent to which you pursue the activity to produce income for a livelihood.

- The amount of time you devote to the activity.

You are considered an investor, and not a trader, if your activity does not meet the above definition of a business. It does not matter whether you call yourself a trader or a "day trader."

Like an investor, a trader must report each sale of securities (taking into account commissions and any other costs of acquiring or disposing of the securities) on Form 8949 or on an attached statement containing all the same information for each sale in a similar format. However, if a trader previously made the mark-to-market election (see below), each transaction is reported in Part II of Form 4797 instead of on Form 8949. Regardless of whether a trader reports his or her gains and losses on Form 8949 or Form 4797, the gain or loss from the disposition of securities is not taken into account when figuring net earnings from self-employment on Schedule SE. See the Instructions for Schedule SE for an exception that applies to section 1256 contracts.

The limitation on investment interest expense that applies to investors does not apply to interest paid or incurred in a trading business. A trader reports interest expense and other expenses (excluding commissions and other costs of acquiring or disposing of securities) from a trading business on Schedule C (instead of Schedule A).

A trader also may hold securities for investment. The rules for investors generally will apply to those securities. Allocate interest and other expenses between your trading business and your investment securities.

## Mark-To-Market Election for Traders

A trader may make an election under section 475(f) to report all gains and losses from securities held in connection with a trading business as ordinary income (or loss), including those from securities held at the end of the year. Securities held at the end of the year are "marked to market" by treating them as if they were sold (and reacquired) for fair market value on the last business day of the year. Generally, the election must be made by the due date (not including extensions) of the tax return for the year prior to the year for which the election becomes effective. To be effective for 2011, the election must have been made by April 18, 2011.

Starting with the year the election becomes effective, a trader reports all gains and losses from securities held in connec-

tion with the trading business, including securities held at the end of the year, in Part II of Form 4797. If you previously made the election, see the Instructions for Form 4797. For details on making the mark-to-market election for 2012, see Pub. 550 or Rev. Proc. 99-17, 1999-1 C.B. 503. You can find Rev. Proc. 99-17 starting on the bottom of page 52 of Internal Revenue Bulletin 1999-7 at [www.irs.gov/pub/irs-irbs/irb99-07.pdf](http://www.irs.gov/pub/irs-irbs/irb99-07.pdf).

If you hold securities for investment, you must identify them as such in your records on the day you acquired them (for example, by holding the securities in a separate brokerage account). Securities held for investment are not marked-to-market.

## Short Sales

A short sale is a contract to sell property you borrowed for delivery to a buyer. At a later date, you either buy substantially identical property and deliver it to the lender or deliver property that you held but did not want to transfer at the time of the sale.

**Example.** You think the value of XYZ stock will drop. You borrow 10 shares from your broker and sell them for \$100. This is a short sale. You later buy 10 shares for \$80 and deliver them to your broker to close the short sale. Your gain is \$20 (\$100 – \$80).

**Holding period.** Usually, your holding period is the amount of time you actually held the property eventually delivered to the lender to close the short sale. However, your gain when closing a short sale is short term if you (a) held substantially identical property for 1 year or less on the date of the short sale, or (b) acquired property substantially identical to the property sold short after the short sale but on or before the date you close the short sale. If you held substantially identical property for more than 1 year on the date of a short sale, any loss realized on the short sale is a long-term capital loss, even if the property used to close the short sale was held 1 year or less.

**Reporting a short sale.** Report any short sale on Form 8949 in the year it closes.

If a short sale closed in 2011 but you did not get a 2011 Form 1099-B (or substitute statement) for it because you entered into it before 2011, report it on a Form 8949 with box C checked. In column (a), enter (for example) “100 sh. XYZ Co.–2010 short sale closed.”

## Gain or Loss From Options

Report on Form 8949 gain or loss from the closing or expiration of an option that is not a section 1256 contract but is a capital asset in your hands. If an option you purchased expired, enter the expiration date in column (d) and enter “EXPIRED” in column (e). If an option that was granted (written) expired, enter the expiration date in column (c) and enter “EXPIRED” in column (f). Fill in the other columns as appropriate. See Pub. 550 for details.

If a call option you sold was exercised and the option premium you received was not reflected in the sales price shown on the Form 1099-B (or substitute statement) you received, enter the premium as a positive number in column (g) of Form 8949. Enter “O” in column (b).

**Example.** For \$10, you sold Joe an option to buy one share of XYZ stock for \$80. Joe later exercised the option. Enter \$80 in column (e) of Form 8949. Enter “O” in column (b) and \$10 in column (g). Complete the other columns according to the instructions.

## Undistributed Capital Gains

Include on Schedule D, line 11, the amount from box 1a of Form 2439. This represents your share of the undistributed long-term capital gains of the regulated investment company (including a mutual fund) or real estate investment trust.

If there is an amount in box 1b, include that amount on line 11 of the Unrecaptured Section 1250 Gain Worksheet if you complete line 19 of Schedule D.

If there is an amount in box 1c, see *Exclusion of Gain on Qualified Small Business (QSB) Stock*, later.

If there is an amount in box 1d, include that amount on line 4 of the 28% Rate Gain Worksheet if you complete line 18 of Schedule D.

Include on Form 1040, line 71, or Form 1040NR, line 67, the tax paid as shown in box 2 of Form 2439. Also check the box for Form 2439. Add to the basis of your stock the excess of the amount included in income over the amount of the credit for the tax paid. See Pub. 550 for details.

## Installment Sales

If you sold property (other than publicly traded stocks or securities) at a gain and you will receive a payment in a tax year after the year of sale, you generally must report the sale on the installment method unless you elect not to. Use Form 6252 to report the sale on the installment method. Also use Form 6252 to report any payment received in 2011 from a sale made in an earlier year that you reported on the installment method.

To elect out of the installment method, report the full amount of the gain on Form 8949 on a timely filed return (including extensions) for the year of the sale. If your original return was filed on time, you can make the election on an amended return filed no later than 6 months after the due date of your return (excluding extensions). Write “Filed pursuant to section 301.9100-2” at the top of the amended return.

## Demutualization of Life Insurance Companies

Demutualization of a life insurance company occurs when a mutual life insurance

company changes to a stock company. If you were a policyholder or annuitant of the mutual company, you may have received either stock in the stock company or cash in exchange for your equity interest in the mutual company. The basis of your equity interest in the mutual company is considered to be zero.

If the demutualization transaction qualifies as a tax-free reorganization, no gain is recognized on the exchange of your equity interest in the mutual company for stock. The company can advise you if the transaction is a tax-free reorganization. Because the basis of your equity interest in the mutual company is considered to be zero, your basis in the stock received is zero. Your holding period for the new stock includes the period you held an equity interest in the mutual company. If you received cash in exchange for your equity interest, you must recognize a capital gain in an amount equal to the cash received. If you held the equity interest for more than 1 year, report the gain as a long-term capital gain on line 3 of Form 8949. If you held the equity interest for 1 year or less, report the gain as a short-term capital gain on line 1 of Form 8949. Be sure the appropriate box is checked at the top of Form 8949.

If the demutualization transaction does not qualify as a tax-free reorganization, you must recognize a capital gain in an amount equal to the cash and fair market value of the stock received. If you held the equity interest for more than 1 year, report the gain as a long-term capital gain on line 3 of Form 8949. If you held the equity interest for 1 year or less, report the gain as a short-term capital gain on line 1 of Form 8949. Be sure the appropriate box is checked at the top of Form 8949. Your holding period for the new stock begins on the day after you received the stock.

## Exclusion of Gain on Qualified Small Business (QSB) Stock

Section 1202 allows for an exclusion of up to 50% of the eligible gain on the sale or exchange of QSB stock. The section 1202 exclusion applies only to QSB stock held for more than 5 years. The exclusion can be up to 60% for certain empowerment zone business stock. See *Empowerment Zone Business Stock*, later.

To be QSB stock, the stock must meet all of the following tests.

1. It must be stock in a C corporation (that is, not S corporation stock).
2. It must have been originally issued after August 10, 1993.
3. As of the date the stock was issued, the corporation was a domestic C corporation with total gross assets of \$50 million or less (a) at all times after August 9, 1993, and before the stock was issued, and (b) immediately after the stock was issued. Gross assets include those of any predeces-

sor of the corporation. All corporations that are members of the same parent-subsidiary controlled group are treated as one corporation.

4. You must have acquired the stock at its original issue (either directly or through an underwriter), either in exchange for money or other property or as pay for services (other than as an underwriter) to the corporation. In certain cases, you may meet this test if you acquired the stock from another person who met the test (such as by gift or inheritance) or through a conversion or exchange of QSB stock you held.

5. During substantially all the time you held the stock:

- a. The corporation was a C corporation,
- b. At least 80% of the value of the corporation's assets were used in the active conduct of one or more qualified businesses (defined below), and
- c. The corporation was not a foreign corporation, DISC, former DISC, regulated investment company, real estate investment trust, REMIC, FASIT, cooperative, or a corporation that has made (or that has a subsidiary that has made) a section 936 election.



**SSBIC.** A specialized small business investment company (SSBIC) is treated as having met test 5b.

**Definition of qualified business.** A qualified business is any business that is not one of the following.

- A business involving services performed in the fields of health, law, engineering, architecture, accounting, actuarial science, performing arts, consulting, athletics, financial services, or brokerage services.
- A business whose principal asset is the reputation or skill of one or more employees.
- A banking, insurance, financing, leasing, investing, or similar business.
- A farming business (including the raising or harvesting of trees).
- A business involving the production of products for which percentage depletion can be claimed.
- A business of operating a hotel, motel, restaurant, or similar business.

For more details about limits and additional requirements that may apply, see Pub. 550 or section 1202.

### Empowerment Zone Business Stock

You generally can exclude up to 60% of your gain if you meet the following additional requirements.

1. The stock you sold or exchanged was stock in a corporation that qualified as an empowerment zone business during substantially all of the time you held the stock.

2. You acquired the stock after December 21, 2000.

Requirement 1 will still be met if the corporation ceased to qualify after the 5-year period that began on the date you acquired the stock. However, the gain that qualifies for the 60% exclusion cannot be more than the gain you would have had if you had sold the stock on the date the corporation ceased to qualify.

For more information about empowerment zone businesses, see section 1397C.

### Pass-Through Entities

If you held an interest in a pass-through entity (a partnership, S corporation, or mutual fund or other regulated investment company) that sold QSB stock, to qualify for the exclusion you must have held the interest on the date the pass-through entity acquired the QSB stock and at all times thereafter until the stock was sold.

### How To Report

Report the sale or exchange of the QSB stock on Form 8949, Part II, with the appropriate box checked, as you would if you were not taking the exclusion. Then enter "S" in column (b) and enter the amount of the excluded gain as a negative number in column (g). Put it in parentheses to show it is negative. See the instructions for Form 8949, columns (b) and (g). Complete all remaining columns. If you are completing line 18 of Schedule D, enter as a positive number the amount of your allowable exclusion on line 2 of the 28% Rate Gain Worksheet; if you excluded 60% of the gain, enter  $\frac{2}{3}$  of the exclusion.

**Gain from Form 1099-DIV.** If you received a Form 1099-DIV with a gain in box 2c, part or all of that gain (which is also included in box 2a) may be eligible for the section 1202 exclusion. In column (a) of Form 8949, line 3, enter the name of the corporation whose stock was sold. In column (b), enter "S" and in column (g) enter the amount of the excluded gain as a negative number. See the instructions for Form 8949, columns (b) and (g), later. If you are completing line 18 of Schedule D, enter as a positive number the amount of your allowable exclusion on line 2 of the 28% Rate Gain Worksheet; if you excluded 60% of the gain, enter  $\frac{2}{3}$  of the exclusion.

**Gain from Form 2439.** If you received a Form 2439 with a gain in box 1c, part or all of that gain (which is also included in box 1a) may be eligible for the section 1202 exclusion. In column (a) of Form 8949, line 3, enter the name of the corporation whose stock was sold. In column (b), enter "S" and in column (g) enter the amount of the excluded gain as a negative number. See the instructions for Form 8949, columns (b) and (g), later. If you are completing line 18 of Schedule D, enter as a positive number the amount of your allowable exclusion on line 2 of the 28% Rate Gain Worksheet; if

you excluded 60% of the gain, enter  $\frac{2}{3}$  of the exclusion.

**Gain from an installment sale of QSB stock.** If all payments are not received in the year of sale, a sale of QSB stock that is not traded on an established securities market generally is treated as an installment sale and is reported on Form 6252. Figure the allowable section 1202 exclusion for the year by multiplying the total amount of the exclusion by a fraction, the numerator of which is the amount of eligible gain to be recognized for the tax year and the denominator of which is the total amount of eligible gain. In column (a) of Form 8949, line 3, enter the name of the corporation whose stock was sold. In column (b), enter "S" and in column (g) enter the amount of the allowable exclusion for the year as a negative number. See the instructions for Form 8949, columns (b) and (g), later. If you are completing line 18 of Schedule D, enter as a positive number the amount of your allowable exclusion for the year on line 2 of the 28% Rate Gain Worksheet; if you excluded 60% of the gain, enter  $\frac{2}{3}$  of the allowable exclusion for the year.

**Alternative minimum tax.** You must enter 7% of your allowable exclusion for the year on line 13 of Form 6251.

### Rollover of Gain From QSB Stock

If you sold QSB stock (defined earlier) that you held for more than 6 months, you can elect to postpone gain if you buy other QSB stock during the 60-day period that began on the date of the sale. A pass-through entity also can make the election to postpone gain. The benefit of the postponed gain applies to your share of the entity's postponed gain if you held an interest in the entity for the entire period the entity held the QSB stock. If a pass-through entity sold QSB stock held for more than 6 months and you held an interest in the entity for the entire period the entity held the stock, you also can elect to postpone gain if you, rather than the pass-through entity, buy the replacement QSB stock within the 60-day period. If you were a partner in a partnership that sold or bought QSB stock, see box 11 of the Schedule K-1 (Form 1065) sent to you by the partnership and Regulations section 1.1045-1.

You must recognize gain to the extent the sale proceeds are more than the cost of the replacement stock. Reduce the basis of the replacement stock by any postponed gain.

You must make the election no later than the due date (including extensions) for filing your tax return for the tax year in which the QSB stock was sold. If your original return was filed on time, you can make the election on an amended return filed no later than 6 months after the due date of your return (excluding extensions). Write "Filed pursuant to section 301.9100-2" at the top of the amended return.

To make the election, report the sale on line 1 or line 3 of Form 8949 as you would if you were not making the election. Then enter "R" in column (b). Enter the amount of the postponed gain as a negative number in column (g). Put it in parentheses to show it is negative. See the instructions for Form 8949, columns (b) and (g), later. Complete all remaining columns.

## Rollover of Gain From Empowerment Zone Assets

If you sold a qualified empowerment zone asset that you held for more than 1 year, you may be able to elect to postpone part or all of the gain that you would otherwise include in income. If you make the election, the gain on the sale generally is recognized only to the extent, if any, that the amount realized on the sale is more than the cost of qualified empowerment zone assets (replacement property) you purchased during the 60-day period beginning on the date of the sale. The following rules apply.

- No portion of the cost of the replacement property may be taken into account to the extent the cost is taken into account to exclude gain on a different empowerment zone asset.
- The replacement property must qualify as an empowerment zone asset with respect to the same empowerment zone as the asset sold.
- You must reduce the basis of the replacement property by the amount of postponed gain.
- This election does not apply to any gain (a) treated as ordinary income or (b) attributable to real property, or an intangible asset, that is not an integral part of an enterprise zone business.
- The District of Columbia enterprise zone is not treated as an empowerment zone for this purpose.
- The election is irrevocable without IRS consent.

See section 1397C for the definition of empowerment zone and enterprise zone business. You can find out if your business is located within an empowerment zone by using the RC/EZ/EC Address Locator at [www.hud.gov/crlocator](http://www.hud.gov/crlocator).

Qualified empowerment zone assets are:

1. Tangible property, if:
  - a. You acquired the property after December 21, 2000,
  - b. The original use of the property in the empowerment zone began with you, and
  - c. Substantially all of the use of the property, during substantially all of the time that you held it, was in your enterprise zone business; and
2. Stock in a domestic corporation or a capital or profits interest in a domestic partnership, if:

- a. You acquired the stock or partnership interest after December 21, 2000, solely in exchange for cash, from the corporation at its original issue (directly or through an underwriter) or from the partnership;

- b. The business was an enterprise zone business (or a new business being organized as an enterprise zone business) as of the time you acquired the stock or partnership interest; and

- c. The business qualified as an enterprise zone business during substantially all of the time you held the stock or partnership interest.

See section 1397B for more details.

**How to report.** Report the sale on Form 8949, line 3, as you would if you were not making the election. Then enter "R" in column (b), and enter the amount of the postponed gain as a negative number in column (g). Put it in parentheses to show it is negative. See the instructions for Form 8949, columns (b) and (g), later. Complete all remaining columns.

## Exclusion of Gain From DC Zone Assets

If you sold or exchanged a District of Columbia Enterprise Zone (DC Zone) asset that you acquired after 1997 and held for more than 5 years, you may be able to exclude the amount of qualified capital gain that you would otherwise include in income. The exclusion applies to an interest in, or property of, certain businesses operating in the District of Columbia.

**DC Zone asset.** A DC Zone asset is any of the following.

- DC Zone business stock.
- DC Zone partnership interest.
- DC Zone business property.

**Qualified capital gain.** Qualified capital gain is any gain recognized on the sale or exchange of a DC Zone asset that is a capital asset or property used in a trade or business. It does not include any of the following gains.

- Gain treated as ordinary income under section 1245.
- Section 1250 gain figured as if section 1250 applied to all depreciation rather than the additional depreciation.
- Gain attributable to real property, or an intangible asset, that is not an integral part of a DC Zone business.
- Gain from a related-party transaction. See *Sales and Exchanges Between Related Persons* in chapter 2 of Pub. 544.

See section 1400B for more details.

**How to report.** Report the sale or exchange on Form 8949, line 3, as you would if you were not taking the exclusion. Then enter "X" in column (b). Enter the amount of the exclusion as a negative number in column (g). Put it in parentheses to show it is negative. See the instructions for Form

8949, columns (b) and (g), later. Complete all remaining columns.

## Exclusion of Gain From Qualified Community Assets

If you sold or exchanged a qualified community asset that you acquired after 2001 and before 2010 and held for more than 5 years, you may be able to exclude the qualified capital gain that you would otherwise include in income. The exclusion applies to an interest in, or property of, certain renewal community businesses.

**Qualified community asset.** A qualified community asset is any of the following.

- Qualified community stock.
- Qualified community partnership interest.
- Qualified community business property.

**Qualified capital gain.** Qualified capital gain is any gain recognized on the sale or exchange of a qualified community asset but does not include any of the following.

- Gain treated as ordinary income under section 1245.
- Section 1250 gain figured as if section 1250 applied to all depreciation rather than the additional depreciation.

- Gain attributable to real property, or an intangible asset, that is not an integral part of a qualified community business.

- Gain from a related-party transaction. See *Sales and Exchanges Between Related Persons* in chapter 2 of Pub. 544.

See section 1400F for more details and special rules.

**How to report.** Report the sale or exchange on Form 8949, Part II, with the appropriate box checked, as you would if you were not taking the exclusion. Then enter "X" in column (b) and enter the amount of the exclusion as a negative number in column (g). Put it in parentheses to show it is negative. See the instructions for Form 8949, columns (b) and (g), later. Complete all remaining columns.

## Rollover of Gain From Publicly Traded Securities

You can postpone all or part of any gain from the sale of publicly traded securities by buying common stock or a partnership interest in a specialized small business investment company during the 60-day period that began on the date of the sale. See Pub. 550. Also see *How To Complete Form 8949, Columns (b) and (g)*, later.

## Rollover of Gain From Stock Sold to ESOPs or Certain Cooperatives

You can postpone all or part of any gain from the sale of qualified securities, held for at least 3 years, to an employee stock ownership plan (ESOP) or eligible worker-owned cooperative, if you buy

qualified replacement property. See Pub. 550. Also see *How To Complete Form 8949, Columns (b) and (g)*, later.

## Specific Instructions

### Form 8949

Enter all sales and exchanges of capital assets, including stocks, bonds, etc., and real estate (if not reported on Form 4684, 4797, 6252, 6781, or 8824). Include these transactions even if you did not receive a Form 1099-B or 1099-S (or substitute statement) for the transaction. Report short-term gains or losses on line 1. Report long-term gains and losses on line 3.

Enter the details of each transaction on a separate line of Form 8949 (unless the *Exception to reporting each transaction on a separate line* described later applies to you). Use as many Forms 8949 as you need.

Use a separate Form 8949, Part I, for each of the following types of transactions.

1. Short-term transactions reported to you on Form 1099-B (or substitute statement) with an amount shown for cost or other basis **unless** the statement indicates that amount was not reported to the IRS. Check box A at the top of this page of Form 8949. If your substitute statement shows cost or other basis for the transaction but indicates it was **not** reported to the IRS, report that transaction on page 1 of a Form 8949 with box B, not box A, checked (see 2 below).

2. Short-term transactions reported to you on Form 1099-B (or substitute statement) without an amount shown for cost or other basis. Check box B at the top of this page of Form 8949. If your substitute statement shows cost or other basis for the transaction but indicates it was not reported to the IRS, report that transaction on page 1 of a Form 8949 with box B, not box A, checked.

3. Short-term transactions for which you did not receive a Form 1099-B (or substitute statement). Check box C at the top of page 1 of this Form 8949.

Use a separate Form 8949, Part II, for each of the following types of transactions.

1. Long-term transactions reported to you on Form 1099-B (or substitute statement) with an amount shown for cost or other basis **unless** the statement indicates that amount was not reported to the IRS. Check box A at the top of this page of Form 8949. If your substitute statement shows cost or other basis for the transaction but indicates it was **not** reported to the IRS, report that transaction on page 2 of a Form 8949 with box B, not box A, checked (see 2 below).

2. Long-term transactions reported to you on Form 1099-B (or substitute statement) without an amount shown for cost or

other basis. Check box B at the top of this page of Form 8949. If your substitute statement shows cost or other basis for the transaction but indicates it was not reported to the IRS, report that transaction on page 2 of a Form 8949 with box B, not box A, checked.

3. Long-term transactions for which you did not receive a Form 1099-B (or substitute statement). Check box C at the top of page 2 of this Form 8949.

Include on each Form 8949 only transactions described in the text for the box you check (A, B, or C). If you have more than one type of transaction (A, B, or C), complete a separate Form 8949 for each. Check only one box on each Form 8949. For example, if you check box A in Part I of one Form 8949, include on that Form 8949 only short-term gains and losses from transactions your broker reported to you on a Form 1099-B (or substitute statement) showing that basis was reported to the IRS. If you have other types of transactions, report those on a separate Form 8949 and check the box that applies.

Enter on Schedule D the combined totals from all your Forms 8949. Form 8949 and Schedule D explain exactly how to do this.

**Exception to reporting each transaction on a separate line.** Instead of reporting each of your transactions on a separate line of Form 8949, you can report them on an attached statement containing all the same information as Form 8949 and in a similar format. Use as many attached statements as you need. Enter the combined totals from all your attached statements on a Form 8949 with the appropriate box checked. For example, report on line 3 of a Form 8949 with box A checked all long-term gains and losses from transactions your broker reported to you on a statement showing that the basis of the property sold was reported to the IRS. If you have statements from more than one broker, report the totals from each broker on a separate line.

Do not enter “available upon request” and summary totals in lieu of reporting the details of each transaction on Form(s) 8949 or attached statements.

**E-file.** If you *e-file* your return but choose not to include your transactions on the electronic short-term capital gain (or loss) or long-term capital gain (or loss) records, you must attach Form 8949 (or a statement with the same information) to Form 8453 and mail the forms to the IRS.

**Charitable gift annuity.** If you are the beneficiary of a charitable gift annuity and receive a Form 1099-R showing an amount in box 3, report the box 3 amount on line 3 of a Form 8949 that has box C checked at the top. Enter “Form 1099-R” in column (a). Enter the box 3 amount in column (e).

**Canadian registered retirement plan.** If you are the beneficiary or annuitant of a

Canadian registered retirement plan, enter any amount from Form 8891, line 10d, on line 1 or line 3 (whichever applies) of a Form 8949 that has box C checked at the top. Enter “Form 8891” in column (a). Enter the line 10d amount in column (e).

**Other gains or losses where sales price or basis is not known.** If you have another gain or loss for which you do not know the sales price or basis (such as a long-term capital gain from Form 8621), enter a description of the gain or loss in column (a) of a Form 8949 that has box C checked at the top. If you have a gain, enter it in column (e). If you have a loss, enter it in column (f). Complete any other columns you can.

**Rounding off to whole dollars.** You can round off cents to whole dollars on your Form 8949. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

### Column (a)—Description of Property

You can use stock ticker symbols or abbreviations to describe the property as long as they are based on the descriptions of the property as shown on Form 1099-B or 1099-S (or substitute statement).

If you inherited the property from someone who died in 2010 and the executor of the decedent’s estate made the election to file Form 8939, also enter “INH-2010” in column (a).

### Column (b)—Code

In order to explain any adjustment to gain or loss in column (g), put the appropriate code in column (b). See *How To Complete Form 8949, Columns (b) and (g)*, later. Also see the instructions for column (g). If more than one code applies, enter all the codes that apply. Separate them by a space or a comma.

### Column (c)—Date Acquired

Enter in this column the date you acquired the asset. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date you acquired the stock or property delivered to the broker or lender to close the short sale.

The date acquired for an asset you held on January 1, 2001, for which you made an election to recognize any gain in a deemed sale is the date of the deemed sale and reacquisition.

If you disposed of property that you acquired by inheritance from someone who died before or after 2010, report the sale or exchange on line 3 and enter “INHERITED” in column (c) instead of the date you acquired the property. Also report the sale or exchange that way if you inherited the property from someone who died in

2010 and the executor of the decedent's estate did not elect to file Form 8939. If you inherited the property from someone who died in 2010 and the executor made the election to file Form 8939, also see the instructions for column (a) and see Pub. 4895 to see whether you should report the sale or exchange on line 1 or line 3.

If you sold a block of stock (or similar property) that you acquired through several different purchases, you may report the sale on one line and enter "VARIOUS" in column (c). However, you still must report the short-term gain or (loss) on the sale in Part I and the long-term gain or (loss) in Part II.

#### **Column (d)—Date Sold**

Enter in this column the date you sold the asset. Use the trade date for stocks and bonds traded on an exchange or over-the-counter market. For stock or other property sold short, enter the date you delivered the stock or property to the broker or lender to close the short sale.

#### **Column (e)—Sales Price**

If you sold stocks or bonds and you received a Form 1099-B (or substitute statement) from your broker that shows gross sales price, enter that amount in column (e). But if Form 1099-B (or substitute statement) indicates that gross proceeds minus commissions and option premiums were reported to the IRS, enter that net amount in column (e).

You should not have received a Form 1099-B (or substitute statement) for a transaction merely representing the return of your original investment in a nontransferable obligation, such as a savings bond or a certificate of deposit. But if you did, report the amount shown on Form 1099-B (or substitute statement) in both columns (e) and (f).

#### **Column (f)—Cost or Other Basis**

In general, the cost or other basis is the cost of the property plus purchase commissions and improvements, minus depreciation, amortization, and depletion. If you inherited the property, got it as a gift, or received it in a tax-free exchange or involuntary conversion or in connection with a "wash sale," you may not be able to use the actual cost as the basis. If you do not use the actual cost, attach an explanation of your basis.

If you sold stock, adjust your basis by subtracting all the nondividend distributions you received before the sale. Also adjust your basis for any stock splits. See Pub. 550 for details.

If you elected to recognize gain on an asset held on January 1, 2001, your basis in

the asset is its closing market price or fair market value, whichever applies, on the date of the deemed sale and reacquisition, whether the deemed sale resulted in a gain or an unallowed loss.

You can use the average basis method to determine the basis of shares of stock if the shares are identical to each other, you acquired them at different prices and left them in an account with a custodian or agent, and either:

- They are shares in a mutual fund (or other RIC), or
- You acquired them after 2010 in connection with a dividend reinvestment plan (DRP).

Shares are identical if they have the same CUSIP number, except that shares of stock in a DRP are not identical to shares of stock that are not in a DRP, even if they have the same CUSIP number. If you are using the average basis method and received a Form 1099-B (or substitute statement) that shows an incorrect basis, enter "B" in column (b), enter the basis shown on Form 1099-B (or substitute statement) in column (f), and see *How To Complete Form 8949, Columns (b) and (g)*, later. For details on making the election and how to figure average basis, see Pub. 550.

The basis of property acquired by gift is generally the basis of the property in the hands of the donor. The basis of property acquired from a decedent who died before or after 2010 is generally the fair market value at the date of death. This is also the basis of property acquired from a decedent who died in 2010 if the executor of the decedent's estate did not elect to file Form 8939. See Pub. 551 for details. If you sold property that you inherited from someone who died in 2010 and the executor made the election to file Form 8939, see Pub. 4895.

Increase the cost or other basis of an original issue discount (OID) debt instrument by the amount of OID that has been included in gross income for that instrument. See Pub. 550 for details.

If a charitable contribution deduction is allowable because of a bargain sale of property to a charitable organization, the adjusted basis for purposes of determining gain from the sale is the amount that has the same ratio to the adjusted basis as the amount realized has to the fair market value. See Pub. 544 for details.

For more details, see Pub. 551.

**Form 1099-B.** If the property you sold was a covered security, its basis should be shown in box 3 of the Form 1099-B (or substitute statement) you received from

your broker. Generally, a covered security is a security other than:

- A security you acquired before January 1, 2011,
- Stock in a mutual fund or other regulated investment company, or
- Stock you acquired through a dividend reinvestment plan.

If box 6 on Form 1099-B is checked, the property sold was not a covered security.

Enter the basis shown on Form 1099-B in column (f). If the basis shown on Form 1099-B is not correct, see *How To Complete Form 8949, Columns (b) and (g)*, later, for the adjustment you must make.

If no basis is shown on Form 1099-B (or substitute statement), enter the correct basis of the property in column (f).

#### **Column (g)—Adjustments to Gain or Loss**

Enter in this column any necessary adjustments to gain or loss. Enter negative amounts in parentheses. Also enter a code in column (b) to explain the adjustment. See *How To Complete Form 8949, Columns (b) and (g)*, later.

Include in this column any expense of sale, such as broker's fees, commissions, state and local transfer taxes, and option premiums, unless you reported the net sales price in column (e). If you include any expense of sale in this column, enter "O" in column (b).

**More than one code.** If you entered more than one code in column (b) on the same line, enter the net adjustment in column (g). For example, if one adjustment is \$5,000 and another is (\$1,000), enter \$4,000 (\$5,000 - \$1,000).

**Example.** You sold your main home in 2011 for \$320,000 and received a Form 1099-S showing the \$320,000 gross proceeds. The home's basis was \$100,000. You had selling expenses of \$20,000. Under the tests described in *Sale of Your Home*, earlier, you can exclude the entire \$200,000 gain from income. On Form 8949, Part II, check box C at the top. On line 3, complete columns (a), (c), and (d). Enter \$320,000 in column (e) and \$100,000 in column (f). Enter "H" in column (b). In column (g), enter \$220,000 (your \$200,000 exclusion + your selling expenses of \$20,000) as a negative number. Put it in parentheses to show it is negative. If this is your only transaction on this Form 8949, enter \$320,000 in column (e) on line 10 of Schedule D, \$100,000 in column (f), and \$220,000 in column (g). In column (h), enter -0- (\$320,000 - \$100,000 - \$220,000).

## How To Complete Form 8949, Columns (b) and (g)

For most transactions, you do not need to complete columns (b) and (g) and can leave them blank. You may need to complete columns (b) and (g) if you got a Form 1099-B or 1099-S that is incorrect, if you are excluding or postponing a capital gain, if you have a disallowed loss, or in certain other situations. Details are in the table below.

IF . . .	THEN enter this code in column (b) . . .	AND. . .
You received a Form 1099-B (or substitute statement) and the basis shown in box 3 is incorrect. . . .	B	Enter the basis shown on Form 1099-B (or substitute statement) in column (f).  If the correct basis is higher than the basis shown on Form 1099-B (or substitute statement), enter the difference between the two amounts as a negative number (in parentheses) in column (g).  If the correct basis is lower than the basis shown on Form 1099-B (or substitute statement), enter the difference between the two amounts as a positive number in column (g).
You received a Form 1099-B (or substitute statement) and the type of gain or loss (short term or long term) shown in box 8 is incorrect . . . .	T	Enter -0- in column (g) unless an adjustment is required because of another code. Report the gain or loss in the correct Part of Form 8949.
You received a Form 1099-B or 1099-S as a nominee for the actual owner of the property. . . .	N	Report the transaction on Form 8949 as you would if you were the actual owner, but enter any resulting gain as a negative adjustment (in parentheses) in column (g) or any resulting loss as a positive adjustment in column (g). However, if you received capital gain distributions as a nominee, report them instead as described under <i>Capital Gain Distributions</i> , earlier.
You sold or exchanged your main home at a gain, must report the sale or exchange on Form 8949, and can exclude some or all of the gain. . . .	H	Report the sale or exchange on Form 8949 as you would if you were not taking the exclusion. Then enter the amount of excluded (nontaxable) gain as a negative number (in parentheses) in column (g). See the example in the instructions for Form 8949, column (g).
You sold or exchanged qualified small business stock and can exclude part of the gain. . . .	S	Report the sale or exchange on Form 8949 as you would if you were not taking the exclusion. Then enter the amount of the exclusion as a negative number (in parentheses) in column (g).
You can exclude all or part of your gain under the rules explained earlier in these instructions for DC Zone assets or qualified community assets. . . .	X	Report the sale or exchange on Form 8949 as you would if you were not taking the exclusion. Then enter the amount of the exclusion as a negative number (in parentheses) in column (g).
You are electing to postpone all or part of your gain under the rules explained earlier in these instructions for rollover of gain from QSB stock, empowerment zone assets, publicly traded securities, or stock sold to ESOPs or certain cooperatives. . . .	R	Report the sale or exchange on Form 8949 as you would if you were not making the election. Then enter the amount of postponed gain as a negative number (in parentheses) in column (g).
You have a nondeductible loss from a wash sale. . . .	W	Enter the amount of the nondeductible loss as a positive number in column (g). See <i>Wash Sales</i> , earlier, for details.
You have a nondeductible loss other than a loss indicated by code W. . . .	L	Enter the amount of the nondeductible loss as a positive number in column (g). See the example under <i>Nondeductible Losses</i> , earlier.
You include any expense of sale or certain option premiums in column (g) or you have an adjustment not explained above in this column. . . .	O	Enter your expenses of sale or the appropriate adjustment amount in column (g). Enter any expenses of sale as a negative number (in parentheses). See the instructions for Form 8949, column (g). If you sold a call option and it was exercised, see <i>Gain or Loss From Options</i> , earlier, for information about reporting certain option premiums.
None of the other statements in this column apply. . .	Leave columns (b) and (g) blank.	

### Schedule D

Complete all necessary pages of Form 8949 before you complete line 1, 2, 3, 8, 9, or 10 of Schedule D.

#### Rounding Off to Whole Dollars

You can round off cents to whole dollars on your Schedule D. If you do round to whole dollars, you must round all amounts. To round, drop amounts under 50 cents and increase amounts from 50 to 99 cents to the

next dollar. For example, \$1.39 becomes \$1 and \$2.50 becomes \$3.

If you have to add two or more amounts to figure the amount to enter on a line, include cents when adding the amounts and round off only the total.

#### Lines 1, 2, 3, 8, 9, and 10, column (h)—Gain or Loss

Figure gain or loss on each line. First, subtract cost or other basis (column (f)) from

sales price (column (e)). Then take into account any adjustments in column (g). Enter the gain or loss in column (h). Enter negative amounts in parentheses.

**Example 1.** Column (e) is \$6,000 and column (f) is (\$2,000). Enter \$4,000 in column (h).

**Example 2.** Column (e) is \$6,000 and column (f) is (\$8,000). Enter (\$2,000) in column (h).



Use this worksheet to figure your capital loss carryovers from 2010 to 2011 if your 2010 Schedule D, line 21, is a loss and (a) that loss is a smaller loss than the loss on your 2010 Schedule D, line 16, or (b) the amount on your 2010 Form 1040, line 41 (or your 2010 Form 1040NR, line 39, if applicable) is less than zero. Otherwise, you do not have any carryovers.

If you and your spouse once filed a joint return and are filing separate returns for 2011, any capital loss carryover from the joint return can be deducted only on the return of the spouse who actually had the loss.

1. Enter the amount from your 2010 Form 1040, line 41, or your 2010 Form 1040NR, line 39. If a loss, enclose the amount in parentheses . . . . .	1.	<input type="text"/>
2. Enter the loss from your 2010 Schedule D, line 21, as a positive amount . . . . .	2.	<input type="text"/>
3. Combine lines 1 and 2. If zero or less, enter -0- . . . . .	3.	<input type="text"/>
4. Enter the <b>smaller</b> of line 2 or line 3 . . . . .	4.	<input type="text"/>
<b>If line 7 of your 2010 Schedule D is a loss, go to line 5; otherwise, enter -0- on line 5 and go to line 9.</b>		
5. Enter the loss from your 2010 Schedule D, line 7, as a positive amount . . . . .	5.	<input type="text"/>
6. Enter any gain from your 2010 Schedule D, line 15. If a loss, enter -0- . . . . .	6.	<input type="text"/>
7. Add lines 4 and 6 . . . . .	7.	<input type="text"/>
8. <b>Short-term capital loss carryover for 2011.</b> Subtract line 7 from line 5. If zero or less, enter -0-. If more than zero, also enter this amount on Schedule D, line 6 . . . . .	8.	<input type="text"/>
<b>If line 15 of your 2010 Schedule D is a loss, go to line 9; otherwise, skip lines 9 through 13.</b>		
9. Enter the loss from your 2010 Schedule D, line 15, as a positive amount . . . . .	9.	<input type="text"/>
10. Enter any gain from your 2010 Schedule D, line 7. If a loss, enter -0- . . . . .	10.	<input type="text"/>
11. Subtract line 5 from line 4. If zero or less, enter -0- . . . . .	11.	<input type="text"/>
12. Add lines 10 and 11 . . . . .	12.	<input type="text"/>
13. <b>Long-term capital loss carryover for 2011.</b> Subtract line 12 from line 9. If zero or less, enter -0-. If more than zero, also enter this amount on Schedule D, line 14 . . . . .	13.	<input type="text"/>

**Example 3.** Column (e) is \$6,000, column (f) is (\$2,000), and column (g) is (\$1,000). Enter \$3,000 in column (h).

**Line 18**

If you checked “Yes” on line 17, complete the 28% Rate Gain Worksheet in these instructions if either of the following apply for 2011.

- You reported in Part II of Form 8949 a section 1202 exclusion from the eligible gain on qualified small business stock (see

*Exclusion of Gain on Qualified Small Business (QSB) Stock, earlier).*

- You reported in Part II of Form 8949 a collectibles gain or (loss). A collectibles gain or (loss) is any long-term gain or deductible long-term loss from the sale or exchange of a collectible that is a capital asset.

Collectibles include works of art, rugs, antiques, metals (such as gold, silver, and platinum bullion), gems, stamps, coins, al-

coholic beverages, and certain other tangible property.

Include on the worksheet any gain (but not loss) from the sale or exchange of an interest in a partnership, S corporation, or trust held for more than 1 year and attributable to unrealized appreciation of collectibles. For details, see Regulations section 1.1(h)-1. Also, attach the statement required under Regulations section 1.1(h)-1(e).

**28% Rate Gain Worksheet—Line 18**



1. Enter the total of all collectibles gain or (loss) from items you reported on Form 8949, line 3 . . . . .	1.	<input type="text"/>
2. Enter as a positive number the amount of any section 1202 exclusion you reported in column (g) of Form 8949, line 3, with code “S” in column (b), for which you excluded 50% of the gain, plus 2/3 of any section 1202 exclusion you reported in column (g) of Form 8949, line 3, with code “S” in column (b), for which you excluded 60% of the gain . . . . .	2.	<input type="text"/>
3. Enter the total of all collectibles gain or (loss) from Form 4684, line 4 (but only if Form 4684, line 15, is more than zero); Form 6252; Form 6781, Part II; and Form 8824 . . . . .	3.	<input type="text"/>
4. Enter the total of any collectibles gain reported to you on: <ul style="list-style-type: none"> <li>• Form 1099-DIV, box 2d;</li> <li>• Form 2439, box 1d; and</li> <li>• Schedule K-1 from a partnership, S corporation, estate, or trust.</li> </ul>	4.	<input type="text"/>
5. Enter your long-term capital loss carryovers from Schedule D, line 14, and Schedule K-1 (Form 1041), box 11, code C . . . . .	5.	<input type="text"/>
6. If Schedule D, line 7, is a (loss), enter that (loss) here. Otherwise, enter -0- . . . . .	6.	<input type="text"/>
7. Combine lines 1 through 6. If zero or less, enter -0-. If more than zero, also enter this amount on Schedule D, line 18 . . . . .	7.	<input type="text"/>

## Line 19

If you checked "Yes" on line 17, complete the Unrecaptured Section 1250 Gain Worksheet in these instructions if any of the following apply for 2011.

- You sold or otherwise disposed of section 1250 property (generally, real property that you depreciated) held more than 1 year.
- You received installment payments for section 1250 property held more than 1 year for which you are reporting gain on the installment method.
- You received a Schedule K-1 from an estate or trust, partnership, or S corporation that shows "unrecaptured section 1250 gain."
- You received a Form 1099-DIV or Form 2439 from a real estate investment trust or regulated investment company (including a mutual fund) that reports "unrecaptured section 1250 gain."
- You reported a long-term capital gain from the sale or exchange of an interest in a

partnership that owned section 1250 property.

### Instructions for the Unrecaptured Section 1250 Gain Worksheet

**Lines 1 through 3.** If you had more than one property described on line 1, complete lines 1 through 3 for each property on a separate worksheet. Enter the total of the line 3 amounts for all properties on line 3 and go to line 4.

**Line 4.** To figure the amount to enter on line 4, follow the steps below for each installment sale of trade or business property held more than 1 year.

**Step 1.** Figure the smaller of (a) the depreciation allowed or allowable, or (b) the total gain for the sale. This is the smaller of line 22 or line 24 of your 2011 Form 4797 (or the comparable lines of Form 4797 for the year of sale) for the property.

**Step 2.** Reduce the amount figured in step 1 by any section 1250 ordinary income recapture for the sale. This is the amount from line 26g of your 2011 Form 4797 (or

the comparable line of Form 4797 for the year of sale) for the property. The result is your total unrecaptured section 1250 gain that must be allocated to the installment payments received from the sale.

**Step 3.** Generally, the amount of section 1231 gain on each installment payment is treated as unrecaptured section 1250 gain until the total unrecaptured section 1250 gain figured in step 2 has been used in full. Figure the amount of gain treated as unrecaptured section 1250 gain for installment payments received in 2011 as the smaller of (a) the amount from line 26 or line 37 of your 2011 Form 6252, whichever applies, or (b) the amount of unrecaptured section 1250 gain remaining to be reported. This amount is generally the total unrecaptured section 1250 gain for the sale reduced by all gain reported in prior years (excluding section 1250 ordinary income recapture). However, if you chose not to treat all of the gain from payments received after May 6, 1997, and before August 24, 1999, as unrecaptured section 1250 gain, use only the amount you chose to treat as unrecaptured

## Unrecaptured Section 1250 Gain Worksheet—Line 19

Keep for Your Records



If you are not reporting a gain on Form 4797, line 7, skip lines 1 through 9 and go to line 10.

1. If you have a section 1250 property in Part III of Form 4797 for which you made an entry in Part I of Form 4797 (but not on Form 6252), enter the <b>smaller</b> of line 22 or line 24 of Form 4797 for that property. If you did not have any such property, go to line 4. If you had more than one such property, see instructions . . . . .	1.	
2. Enter the amount from Form 4797, line 26g, for the property for which you made an entry on line 1 . . . . .	2.	
3. Subtract line 2 from line 1 . . . . .	3.	
4. Enter the total unrecaptured section 1250 gain included on line 26 or line 37 of Form(s) 6252 from installment sales of trade or business property held more than 1 year (see instructions) . . . . .	4.	
5. Enter the total of any amounts reported to you on a Schedule K-1 from a partnership or an S corporation as "unrecaptured section 1250 gain" . . . . .	5.	
6. Add lines 3 through 5 . . . . .	6.	
7. Enter the <b>smaller</b> of line 6 or the gain from Form 4797, line 7 . . . . .	7.	
8. Enter the amount, if any, from Form 4797, line 8 . . . . .	8.	
9. Subtract line 8 from line 7. If zero or less, enter -0- . . . . .	9.	
10. Enter the amount of any gain from the sale or exchange of an interest in a partnership attributable to unrecaptured section 1250 gain (see instructions) . . . . .	10.	
11. Enter the total of any amounts reported to you as "unrecaptured section 1250 gain" on a Schedule K-1, Form 1099-DIV, or Form 2439 from an estate, trust, real estate investment trust, or mutual fund (or other regulated investment company) or in connection with a Form 1099-R . . . . .	11.	
12. Enter the total of any unrecaptured section 1250 gain from sales (including installment sales) or other dispositions of section 1250 property held more than 1 year for which you did not make an entry in Part I of Form 4797 for the year of sale (see instructions) . . . . .	12.	
13. Add lines 9 through 12 . . . . .	13.	
14. If you had any section 1202 gain or collectibles gain or (loss), enter the total of lines 1 through 4 of the <b>28% Rate Gain Worksheet</b> . Otherwise, enter -0- . . . . .	14.	
15. Enter the (loss), if any, from Schedule D, line 7. If Schedule D, line 7, is zero or a gain, enter -0- . . . . .	15.	( )
16. Enter your long-term capital loss carryovers from Schedule D, line 14, and Schedule K-1 (Form 1041), box 11, code C* . . . . .	16.	( )
17. Combine lines 14 through 16. If the result is a (loss), enter it as a positive amount. If the result is zero or a gain, enter -0- . . . . .	17.	
18. <b>Unrecaptured section 1250 gain.</b> Subtract line 17 from line 13. If zero or less, enter -0-. If more than zero, enter the result here and on Schedule D, line 19 . . . . .	18.	

\*If you are filing Form 2555 or 2555-EZ (relating to foreign earned income), see the footnote in the Foreign Earned Income Tax Worksheet in the Form 1040 instructions before completing this line.

section 1250 gain for those payments to reduce the total unreaptured section 1250 gain remaining to be reported for the sale. Include this amount on line 4.

**Line 10.** Include on line 10 your share of the partnership's unreaptured section 1250 gain that would result if the partnership had transferred all of its section 1250 property in a fully taxable transaction immediately before you sold or exchanged your interest in that partnership. If you recognized less than all of the realized gain, the partnership will be treated as having transferred only a proportionate amount of each section 1250 property. For details, see Regulations section 1.1(h)-1. Also attach the statement required under Regulations section 1.1(h)-1(e).

**Line 12.** An example of an amount to include on line 12 is unreaptured section 1250 gain from the sale of a vacation home you previously used as a rental property but converted to personal use prior to the sale. To figure the amount to enter on line 12, follow the applicable instructions below.

**Installment sales.** To figure the amount to include on line 12, follow the steps below for each installment sale of property held more than 1 year for which you did not make an entry in Part I of your Form 4797 for the year of sale.

- Step 1. Figure the smaller of (a) the depreciation allowed or allowable, or (b) the total gain for the sale. This is the smaller of line 22 or line 24 of your 2011 Form 4797 (or the comparable lines of Form 4797 for the year of sale) for the property.

- Step 2. Reduce the amount figured in step 1 by any section 1250 ordinary income recapture for the sale. This is the amount from line 26g of your 2011 Form 4797 (or the comparable line of Form 4797 for the year of sale) for the property. The result is your total unreaptured section 1250 gain that must be allocated to the installment payments received from the sale.

- Step 3. Generally, the amount of capital gain on each installment payment is treated as unreaptured section 1250 gain until the total unreaptured section 1250 gain figured in step 2 has been used in full. Figure the amount of gain treated as unreaptured section 1250 gain for installment payments received in 2011 as the smaller of (a) the amount from line 26 or line 37 of your 2011 Form 6252, whichever applies, or (b) the amount of unreaptured section 1250 gain remaining to be reported. This amount is generally the total unreaptured section 1250 gain for the sale reduced by all gain reported in prior years (excluding section 1250 ordinary income recapture). However, if you chose not to treat all of the gain from payments received after May 6, 1997, and before August 24, 1999, as unreaptured section 1250 gain, use only the amount you chose to treat as unreaptured section 1250 gain for those payments to reduce the total unreaptured section 1250 gain remaining to be reported for the sale. Include this amount on line 12.

**Other sales or dispositions of section 1250 property.** For each sale of property held more than 1 year (for which you did

not make an entry in Part I of Form 4797), figure the smaller of (a) the depreciation allowed or allowable, or (b) the total gain for the sale. This is the smaller of line 22 or line 24 of Form 4797 for the property. Next, reduce that amount by any section 1250 ordinary income recapture for the sale. This is the amount from line 26g of Form 4797 for the property. The result is the total unreaptured section 1250 gain for the sale. Include this amount on line 12.

## Line 21

You have a capital loss carryover from 2011 to 2012 if you have a loss on line 16 and either:

- That loss is more than the loss on line 21, or
- The amount on Form 1040, line 41 (or Form 1040NR, line 39, if applicable), is less than zero.

To figure any capital loss carryover to 2012, you will use the Capital Loss Carryover Worksheet in the 2012 Instructions for Schedule D. If you want to figure your carryover to 2012 now, see Pub. 550.



*You will need a copy of your 2011 Form 1040 and Schedule D to figure your capital loss carryover to 2012.*



Complete this worksheet only if line 18 or line 19 of Schedule D is more than zero. Otherwise, complete the Qualified Dividends and Capital Gain Tax Worksheet in the Instructions for Form 1040, line 44 (or in the Instructions for Form 1040NR, line 42) to figure your tax.

**Exception:** Do not use the Qualified Dividends and Capital Gain Tax Worksheet or this worksheet to figure your tax if:

- Line 15 or line 16 of Schedule D is zero or less and you have no qualified dividends on Form 1040, line 9b (or Form 1040NR, line 10b); or
- Form 1040, line 43 (or Form 1040NR, line 41) is zero or less.

Instead, see the instructions for Form 1040, line 44 (or Form 1040NR, line 42).

1.	Enter your taxable income from Form 1040, line 43 (or Form 1040NR, line 41). (However, if you are filing Form 2555 or 2555-EZ (relating to foreign earned income), enter instead the amount from line 3 of the Foreign Earned Income Tax Worksheet in the Instructions for Form 1040, line 44) . . . . .	1.	<input type="text"/>
2.	Enter your qualified dividends from Form 1040, line 9b (or Form 1040NR, line 10b) . . . . .	2.	<input type="text"/>
3.	Enter the amount from Form 4952 (used to figure investment interest expense deduction), line 4g . . . . .	3.	<input type="text"/>
4.	Enter the amount from Form 4952, line 4e* . . . . .	4.	<input type="text"/>
5.	Subtract line 4 from line 3. If zero or less, enter -0- . . . . .	5.	<input type="text"/>
6.	Subtract line 5 from line 2. If zero or less, enter -0-*** . . . . .	6.	<input type="text"/>
7.	Enter the <b>smaller</b> of line 15 or line 16 of Schedule D . . . . .	7.	<input type="text"/>
8.	Enter the <b>smaller</b> of line 3 or line 4 . . . . .	8.	<input type="text"/>
9.	Subtract line 8 from line 7. If zero or less, enter -0-*** . . . . .	9.	<input type="text"/>
10.	Add lines 6 and 9 . . . . .	10.	<input type="text"/>
11.	Add lines 18 and 19 of Schedule D** . . . . .	11.	<input type="text"/>
12.	Enter the <b>smaller</b> of line 9 or line 11 . . . . .	12.	<input type="text"/>
13.	Subtract line 12 from line 10 . . . . .	13.	<input type="text"/>
14.	Subtract line 13 from line 1. If zero or less, enter -0- . . . . .	14.	<input type="text"/>
15.	Enter: <ul style="list-style-type: none"> <li>• \$34,500 if single or married filing separately;</li> <li>• \$69,000 if married filing jointly or qualifying widow(er); or</li> <li>• \$46,250 if head of household</li> </ul> } . . . . .	15.	<input type="text"/>
16.	Enter the <b>smaller</b> of line 1 or line 15 . . . . .	16.	<input type="text"/>
17.	Enter the <b>smaller</b> of line 14 or line 16 . . . . .	17.	<input type="text"/>
18.	Subtract line 10 from line 1. If zero or less, enter -0- . . . . .	18.	<input type="text"/>
19.	Enter the <b>larger</b> of line 17 or line 18 . . . . .	▶ 19.	<input type="text"/>
20.	Subtract line 17 from line 16. This amount is taxed at 0%. . . . .	▶ 20.	<input type="text"/>
<b>If lines 1 and 16 are the same, skip lines 21 through 33 and go to line 34. Otherwise, go to line 21.</b>			
21.	Enter the <b>smaller</b> of line 1 or line 13 . . . . .	21.	<input type="text"/>
22.	Enter the amount from line 20 (if line 20 is blank, enter -0-) . . . . .	22.	<input type="text"/>
23.	Subtract line 22 from line 21. If zero or less, enter -0- . . . . .	▶ 23.	<input type="text"/>
24.	Multiply line 23 by 15% (.15) . . . . .	24.	<input type="text"/>
<b>If Schedule D, line 19, is zero or blank, skip lines 25 through 30 and go to line 31. Otherwise, go to line 25.</b>			
25.	Enter the <b>smaller</b> of line 9 above or Schedule D, line 19 . . . . .	25.	<input type="text"/>
26.	Add lines 10 and 19 . . . . .	26.	<input type="text"/>
27.	Enter the amount from line 1 above . . . . .	27.	<input type="text"/>
28.	Subtract line 27 from line 26. If zero or less, enter -0- . . . . .	28.	<input type="text"/>
29.	Subtract line 28 from line 25. If zero or less, enter -0- . . . . .	▶ 29.	<input type="text"/>
30.	Multiply line 29 by 25% (.25) . . . . .	30.	<input type="text"/>
<b>If Schedule D, line 18, is zero or blank, skip lines 31 through 33 and go to line 34. Otherwise, go to line 31.</b>			
31.	Add lines 19, 20, 23, and 29 . . . . .	31.	<input type="text"/>
32.	Subtract line 31 from line 1 . . . . .	32.	<input type="text"/>
33.	Multiply line 32 by 28% (.28) . . . . .	33.	<input type="text"/>
34.	Figure the tax on the amount on <b>line 19</b> . If the amount on line 19 is less than \$100,000, use the Tax Table to figure the tax. If the amount on line 19 is \$100,000 or more, use the Tax Computation Worksheet . . . . .	34.	<input type="text"/>
35.	Add lines 24, 30, 33, and 34 . . . . .	35.	<input type="text"/>
36.	Figure the tax on the amount on <b>line 1</b> . If the amount on line 1 is less than \$100,000, use the Tax Table to figure the tax. If the amount on line 1 is \$100,000 or more, use the Tax Computation Worksheet . . . . .	36.	<input type="text"/>
37.	<b>Tax on all taxable income (including capital gains and qualified dividends).</b> Enter the <b>smaller</b> of line 35 or line 36. Also include this amount on Form 1040, line 44 (or Form 1040NR, line 42). (If you are filing Form 2555 or 2555-EZ, do not enter this amount on Form 1040, line 44. Instead, enter it on line 4 of the Foreign Earned Income Tax Worksheet in the Form 1040 instructions) . . . . .	37.	<input type="text"/>

\*If applicable, enter instead the smaller amount you entered on the dotted line next to line 4e of Form 4952.

\*\*If you are filing Form 2555 or 2555-EZ, see the footnote in the Foreign Earned Income Tax Worksheet in the Instructions for Form 1040, line 44, before completing this line.



# 2011 Instructions for Schedule E (Form 1040)

## Supplemental Income and Loss

Section references are to the Internal Revenue Code unless otherwise noted.

### What's New

**Future developments.** For the latest information about Schedule E, including any developments after these instructions were released, go to [www.irs.gov/form1040](http://www.irs.gov/form1040).

**New merchant card reporting requirements.** We added new lines 3a and 3b to implement reporting of gross receipts received via merchant card (credit and debit cards) and third party network payments. However, for 2011, the IRS has deferred the requirement to report these amounts. Therefore, enter zero on line 3a and report all gross receipts on line 3b, including any income reported to you on Form 1099-K, Merchant Card and Third Party Network Payments. See the instructions for lines 3a and 3b.

**Information reporting requirements.** New lines A and B address your required filing of Forms 1099 in 2011. See the instructions for line A for details and see the General Instructions for Certain Information Returns to determine whether you are required to file any Forms 1099.

**Qualified joint ventures reporting rental real estate income.** Beginning in 2011, qualified joint ventures reporting rental real estate income that is not subject to self-employment tax must report that income on Schedule E instead of Schedule C. See *Husband-Wife Qualified Joint Venture* for details.

**Standard mileage rate.** The standard mileage rate for miles driven in connection with your rental activities increased to 51 cents per mile for miles driven before July 1, 2011 and increased to 55.5 cents per mile for miles driven after June 30, 2011. See the instructions for line 6.

Use Schedule E (Form 1040) to report income or loss from rental real estate, royalties, partnerships, S corporations, estates, trusts, and residual interests in REMICs.

You can attach your own schedule(s) to report income or loss from any of these sources. Use the same format as on Schedule E.

Enter separately on Schedule E the total income and the total loss for each part. Enclose loss figures in (parentheses).

## General Instructions

### Other Schedules and Forms You May Have To File

- Schedule A to deduct interest, taxes, and casualty losses not related to your business.
- Form 3520 to report certain transactions with foreign trusts and receipt of certain large gifts or bequests from certain foreign persons.
- Form 4562 to claim depreciation (including the special allowance) on assets placed in service in 2011, to claim amortization that began in 2011, to make an election under section 179 to expense certain property, or to report information on listed property.
- Form 4684 to report a casualty or theft gain or loss involving property used in your trade or business or income-producing property.
- Form 4797 to report sales, exchanges, and involuntary conversions (not from a casualty or theft) of trade or business property.
- Form 6198 to figure your allowable loss from an at-risk activity.
- Form 8082 to notify the IRS of any inconsistent tax treatment for an item on your return.
- Form 8582 to figure allowable passive activity loss.
- Form 8824 to report like-kind exchanges.
- Form 8826 to claim a credit for expenditures to improve access to your business for individuals with disabilities.
- Form 8873 to figure your extraterritorial income exclusion.
- Form 8910 to claim a credit for placing a new alternative motor vehicle in service for business use.

**Single-member limited liability company (LLC).** In most cases, a single-member domestic LLC is not treated as a separate entity for federal income tax purposes. If you are the sole member of a domestic LLC,

file Schedule E (or Schedule C, C-EZ, or F, if applicable). However, you can elect to treat a domestic LLC as a corporation. See Form 8832 for details on the election and the tax treatment of a foreign LLC.

**Information returns.** You may have to file information returns for wages paid to employees, certain payments of fees and other nonemployee compensation, interest, rents, royalties, real estate transactions, annuities, and pensions. You generally use Form 1099-MISC, Miscellaneous Income, to report rents and payments of fees and other nonemployee compensation. For details, see the instructions for line A and the 2011 General Instructions for Certain Information Returns (Forms 1097, 1098, 1099, 3921, 3922, 5498, and W-2G).

If you received cash of more than \$10,000 in one or more related transactions in your trade or business, you may have to file Form 8300. For details, see Pub. 1544.

### Husband-Wife Qualified Joint Venture

If you and your spouse each materially participate (see *Material participation* in the Instructions for Schedule C) as the only members of a jointly owned and operated rental real estate business and you file a joint return for the tax year, you can make an election to be taxed as a qualified joint venture instead of a partnership. This election, in most cases, will not increase the total tax owed on the joint return. By making the election, you will not be required to file Form 1065 for any year the election is in effect and will instead report the income and deductions directly on your joint return. If you and your spouse filed Form 1065 for the year prior to the election, the partnership terminates at the end of the tax year immediately preceding the year the election takes effect.

**Note.** Mere joint ownership of property that is not a trade or business does not qualify for the election.

**Making the election.** To make this election for your rental real estate business, check the "QJV" box on line 2 for each property that is part of the qualified joint

venture. You must divide all items of income, gain, loss, deduction, and credit attributable to the business between you and your spouse in accordance with your respective interests in the venture. Although you and your spouse will not each file your own Schedule E as part of the qualified joint venture, each of you must report your interest as separate properties on line 1 of Schedule E. On lines 3 through 22 for each separate property interest, you must enter your share of the applicable income, deduction, or loss.

If you have more than three rental real estate or royalty properties, complete and attach as many Schedules E as you need to list them. But fill in lines 23a through 26 on only one Schedule E. The figures on lines 23a through 26 on that Schedule E should be the combined totals for all properties reported on your Schedules E.

Once made, the election can be revoked only with the permission of the IRS. However, the election technically remains in effect only for as long as the spouses filing as a qualified joint venture continue to meet the requirements for filing the election. If the spouses fail to meet the qualified joint venture requirements for a year, a new election will be necessary for any future year in which the spouses meet the requirements to be treated as a qualified joint venture.

Rental real estate income generally is not included in net earnings from self-employment subject to self-employment tax and generally is subject to passive loss limitation rules. Electing qualified joint venture status does not alter the application of the self-employment tax or the passive loss limitation rules.

## Exception—Community Income

If you and your spouse wholly own an unincorporated business as community property under the community property laws of a state, foreign country, or U.S. possession, the income and deductions are reported as follows.

- If only one spouse participates in the business, all of the income from that business is the self-employment earnings of the spouse who carried on the business.
- If both spouses participate, the income and deductions are allocated to the spouses based on their distributive shares.
- If either or both you and your spouse are partners in a partnership, see Pub. 541.
- If you and your spouse elected to treat the business as a qualifying joint venture, see *Husband-Wife Qualified Joint Venture*, earlier.

The only states with community property laws are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. A change in your reporting position will be treated as a conversion of the entity.

For more information on qualified joint ventures, go to IRS.gov. Enter “qualified joint venture” in the search box and select “Election for Husband and Wife Unincorporated Businesses.”

## Reportable Transaction Disclosure Statement

Use Form 8886 to disclose information for each reportable transaction in which you participated. Form 8886 must be filed for each tax year that your federal income tax liability is affected by your participation in the transaction. You may have to pay a penalty if you are required to file Form 8886 but do not do so. You may also have to pay interest and penalties on any reportable transaction understatements. The following are reportable transactions.

- Any listed transaction that is the same as or substantially similar to tax avoidance transactions identified by the IRS.
- Any transaction offered to you or a related party under conditions of confidentiality for which you paid an advisor a fee of at least \$50,000.
- Certain transactions for which you or a related party have contractual protection against disallowance of the tax benefits.
- Certain transactions resulting in a loss of at least \$2 million in any single tax year or \$4 million in any combination of tax years. (At least \$50,000 for a single tax year if the loss arose from a foreign currency transaction defined in section 988(c)(1), whether or not the loss flows through from an S corporation or partnership.)
- Certain transactions of interest entered into after November 1, 2006, that are the same or substantially similar to transactions that the IRS has identified by notice, regulation, or other form of published guidance as transactions of interest.

See the Instructions for Form 8886 for more details.

## At-Risk Rules

In most cases, you must complete Form 6198 to figure your allowable loss if you have:

- A loss from an activity carried on as a trade or business or for the production of income, and
- Amounts in the activity for which you are not at risk.

The at-risk rules in most cases limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the activity. However, the at-risk rules do not apply to losses from an activity of holding real property placed in service before 1987. They also do not apply to losses from your interest acquired before 1987 in a pass-through entity engaged in such activity. The activity of holding mineral property does not qualify for this exception.

In most cases, you are not at risk for amounts such as the following.

- Nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire your interest in the activity that are not secured by your own property (other than property used in the activity). However, there is an exception for certain nonrecourse financing borrowed by you in connection with the activity of holding real property (other than mineral property). See *Qualified nonrecourse financing* below.
- Cash, property, or borrowed amounts used in the activity (or contributed to the activity, or used to acquire your interest in the activity) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casualty insurance and insurance against tort liability).
- Amounts borrowed for use in the activity from a person who has an interest in the activity (other than as a creditor) or who is related under section 465(b)(3)(C) to a person (other than you) having such an interest.

**Qualified nonrecourse financing.** Qualified nonrecourse financing is treated as an amount at risk if it is secured by real property used in an activity of holding real property subject to the at-risk rules. Qualified nonrecourse financing is financing for which no one is personally liable for repayment and is:

- Borrowed by you in connection with the activity of holding real property (other than mineral property),
- Not convertible from a debt obligation to an ownership interest, and
- Loaned or guaranteed by any federal, state, or local government, or borrowed by you from a qualified person.

**Qualified person.** A qualified person is a person who actively and regularly engages in the business of lending money, such as a bank or savings and loan association. A qualified person cannot be:

- Related to you (unless the nonrecourse financing obtained is commercially reasonable and on substantially the same terms as loans involving unrelated persons),
- The seller of the property (or a person related to the seller), or
- A person who receives a fee due to your investment in real property (or a person related to that person).

For more details about the at-risk rules, see the Instructions for Form 6198 and Pub. 925.

## Passive Activity Loss Rules

The passive activity loss rules may limit the amount of losses you can deduct. These rules apply to losses in Parts I, II, and III, and line 40 of Schedule E.

Losses from passive activities may be subject first to the at-risk rules. Losses deductible under the at-risk rules are then subject to the passive activity loss rules.

You can deduct losses from passive activities in most cases only to the extent of income from passive activities. An exception applies to certain rental real estate activities (explained later).

### Passive Activity

A passive activity is any business activity in which you did not materially participate and any rental activity, except as explained later. If you are a limited partner, you in most cases are not treated as having materially participated in the partnership's activities for the year.

The rental of real or personal property is a rental activity under the passive activity loss rules in most cases, but exceptions apply. If your rental of property is not treated as a rental activity, you must determine whether it is a trade or business activity, and if so, whether you materially participated in the activity for the tax year.

See the Instructions for Form 8582 to determine whether you materially participated in the activity and for the definition of "rental activity."

See Pub. 925 for special rules that apply to rentals of:

- Substantially nondepreciable property,
- Property incidental to development activities, and
- Property related to activities in which you materially participate.

### Activities That Are Not Passive Activities

**Activities of real estate professionals.** If you were a real estate professional for 2011, any rental real estate activity in which you materially participated is not a passive activity. You were a real estate professional for the year only if you met both of the following conditions.

- More than half of the personal services you performed in trades or businesses during the year were performed in real property trades or businesses in which you materially participated.
- You performed more than 750 hours of services during the year in real property trades or businesses in which you materially participated.

If you are married filing jointly, either you or your spouse must meet both of the above conditions without taking into account services performed by the other spouse.

A real property trade or business is any real property development, redevelopment, construction, reconstruction, acquisition, conversion, rental, operation, management, leasing, or brokerage trade or business. Services you performed as an employee are not treated as performed in a real property

trade or business unless you owned more than 5% of the stock (or more than 5% of the capital or profits interest) in the employer.

For purposes of this rule, each interest in rental real estate is a separate activity unless you elect to treat all your interests in rental real estate as one activity. To make this election, attach a statement to your original tax return that declares you are a qualifying taxpayer for the year and you are making the election under section 469(c)(7)(A). The election applies for the year made and all later years in which you are a real estate professional. You can revoke the election only if your facts and circumstances materially change.



*If you did not make this election on your timely filed return, you may be eligible to make a late election to treat all your interest in rental real estate as one activity. See Rev. Proc. 2011-34, 2011-24 I.R.B. 874, available at [www.irs.gov/irb/2011-24\\_IRB/ar07.html](http://www.irs.gov/irb/2011-24_IRB/ar07.html).*

If you were a real estate professional for 2011, complete Schedule E, line 43.

**Other activities.** The rental of your home that you also used for personal purposes is not a passive activity. See the instructions for line 2.

A working interest in an oil or gas well you held directly or through an entity that did not limit your liability is not a passive activity even if you did not materially participate.

Royalty income not derived in the ordinary course of a trade or business reported on Schedule E in most cases is not considered income from a passive activity.

For more details on passive activities, see the Instructions for Form 8582 and Pub. 925.

### Exception for Certain Rental Real Estate Activities

If you meet all of the following conditions, your rental real estate losses are not limited by the passive activity loss rules. If you do not meet all of these conditions, see the Instructions for Form 8582 to find out if you must complete and attach Form 8582 to figure any losses allowed.

1. Rental real estate activities are your only passive activities.
2. You do not have any prior year unallowed losses from any passive activities.
3. All of the following apply if you have an overall net loss from these activities:
  - a. You actively participated (defined below) in all of the rental real estate activities;
  - b. If married filing separately, you lived apart from your spouse all year;
  - c. Your overall net loss from these activities is \$25,000 or less (\$12,500 or less if married filing separately);

d. You have no current or prior year unallowed credits from passive activities; and

e. Your modified adjusted gross income (defined later) is \$100,000 or less (\$50,000 or less if married filing separately).

**Active participation.** You can meet the active participation requirement without regular, continuous, and substantial involvement in real estate activities. But you must have participated in making management decisions or arranging for others to provide services (such as repairs) in a significant and *bona fide* sense. Such management decisions include:

- Approving new tenants,
- Deciding on rental terms,
- Approving capital or repair expenditures, and
- Other similar decisions.

You are not considered to actively participate if, at any time during the tax year, your interest (including your spouse's interest) in the activity was less than 10% by value of all interests in the activity. If you are a limited partner, you are also not treated as actively participating in a partnership's rental real estate activities.

**Modified adjusted gross income.** This is your adjusted gross income from Form 1040, line 38, or Form 1040NR, line 37, without taking into account:

- Any allowable passive activity loss,
- Rental real estate losses allowed for real estate professionals (see *Activities of real estate professionals*, earlier),
- Taxable social security or tier 1 railroad retirement benefits,
- Deductible contributions to a traditional IRA or certain other qualified retirement plans under section 219,
- The student loan interest deduction,
- The tuition and fees deduction,
- The domestic production activities deduction,
- The deduction for a portion of self-employment tax,
- The exclusion from income of interest from series EE and I U.S. savings bonds used to pay higher education expenses, and
- Any excluded amounts under an employer's adoption assistance program.

### Recordkeeping

You must keep records to support items reported on Schedule E in case the IRS has questions about them. If the IRS examines your tax return, you may be asked to explain the items reported. Good records will help you explain any item and arrive at the correct tax with a minimum of effort. If you do not have records, you may have to spend time getting statements and receipts from various sources. If you cannot produce the correct documents, you may have to pay additional tax and be subject to penalties.

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## Specific Instructions

**Filers of Form 1041.** If you are a fiduciary filing Schedule E with Form 1041, enter the estate's or trust's employer identification number (EIN) in the space for "Your social security number."

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### Line A

If you made any payments in 2011 that would require you to file any Forms 1099, check the "Yes" box. Otherwise, check the "No" box. See page 15 of the General Instructions for Certain Information Returns if you are unsure whether you were required to file any Forms 1099. Also see the separate instructions for each Form 1099.



Generally, you must file Form 1099-MISC if you paid at least \$600 in rents, services, prizes, medical and health care payments, and other income payments. The Guide to Information Returns on page 15 of the General Instructions for Certain Information Returns has more information, including the due dates for the various information returns.

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### Part I



Before you begin, see the instructions for lines 3a and 3b to determine if you should report your rental real estate and royalty income on Schedule C, Schedule C-EZ, or Form 4835, instead of Schedule E.

## Income or Loss From Rental Real Estate and Royalties

Use Part I to report the following.

- Income and expenses from rental real estate (including personal property leased with real estate).
- Royalty income and expenses.
- For an estate or trust **only**, farm rental income and expenses based on crops or livestock produced by the tenant. **Do not** use Form 4835 or Schedule F (Form 1040) for this purpose.

If you own a part interest in a rental real estate property, report only your part of the income and expenses on Schedule E.

Complete lines 1 and 2 for each rental real estate property. For royalty properties, line 2 and the address portion on line 1 should be left blank and you should enter code "6" for royalty property.

If you have more than three rental real estate or royalty properties, complete and attach as many Schedules E as you need to

list them. But fill in lines 23a through 26 on only one Schedule E. The figures on lines 23a through 26 on that Schedule E should be the combined totals for all properties reported on your Schedules E. If you are also using page 2 of Schedule E, use the same Schedule E on which you entered the combined totals for Part I.

**Personal property.** Do not use Schedule E to report income and expenses from the rental of personal property, such as equipment or vehicles. Instead, use Schedule C or C-EZ if you are in the business of renting personal property. You are in the business of renting personal property if the primary purpose for renting the property is income or profit and you are involved in the rental activity with continuity and regularity.

If your rental of personal property is not a business, see the instructions for Form 1040, lines 21 and 36, to find out how to report the income and expenses.

**Extraterritorial income exclusion.** Except as otherwise provided in the Internal Revenue Code, gross income includes all income from whatever source derived. Gross income, however, does not include extraterritorial income that is qualifying foreign trade income under certain circumstances. Use Form 8873 to figure the extraterritorial income exclusion. Report it on Schedule E as explained in the Instructions for Form 8873.

**Chapter 11 bankruptcy cases.** If you were a debtor in a chapter 11 bankruptcy case, see *Chapter 11 Bankruptcy Cases* under *Income* in the Instructions for Form 1040.

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### Line 1

For rental real estate property only, show the street address, city or town, state, and ZIP code. If the property is located in a foreign country, enter the city, province or state, country, and postal code.

For the type of property, enter one of the codes listed under "Type of Property" in Part I of the form.

**Self-rental.** Enter code type "7" for self-rental if you rent property to a trade or business in which you materially participated. See *Rental of Property to a Nonpassive Activity* in Pub. 925 for details about the tax treatment of income from this type of rental property.

**Other.** Enter code type "8" if the property is not one of the other types listed on the form. Attach a statement to your return describing the property.

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### Line 2

If you rented out a dwelling unit that you also used for personal purposes during the year, you may not be able to deduct all the expenses for the rental part. "Dwelling unit" (unit) means a house, apartment, condominium, or similar property.

For each property listed on line 1, report the number of days in the year each property was rented at fair rental value and the number of days of personal use.

A day of personal use is any day, or part of a day, that the unit was used by:

- You for personal purposes,
- Any other person for personal purposes, if that person owns part of the unit (unless rented to that person under a "shared equity" financing agreement),
- Anyone in your family (or in the family of someone else who owns part of the unit), unless the unit is rented at a fair rental price to that person as his or her main home,
- Anyone who pays less than a fair rental price for the unit, or
- Anyone under an agreement that lets you use some other unit.

Do not count as personal use:

- Any day you spent working substantially full time repairing and maintaining the unit, even if family members used it for recreational purposes on that day, or
- Any days you used the unit as your main home before or after renting it or offering it for rent, if you rented or tried to rent it for at least 12 consecutive months (or for a period of less than 12 consecutive months at the end of which you sold or exchanged it).

Whether or not you can deduct expenses for the unit depends on whether or not you used the property as a residence in 2011. You used the property as a residence if your personal use of the property was more than the greater of:

- 14 days, or
- 10% of the total days it was rented to others at a fair rental price.

If you did not use the property as a residence, you can deduct all your expenses for the rental part, subject to the *At-Risk Rules* and the *Passive Activity Loss Rules* explained above.

If you did use the property as a residence and rented the unit out for fewer than 15 days in 2011, do not report the rental income and do not deduct any rental expenses. If you itemize deductions on Schedule A, you can deduct allowable interest, taxes, and casualty losses.

If you did use the property as a residence and rented the unit out for at least 15 days in 2011, you may not be able to deduct all your rental expenses. You can deduct all the following expenses for the rental part on Schedule E.

- Mortgage interest.
- Real estate taxes.
- Casualty losses.
- Other rental expenses not related to your use of the unit as a home, such as advertising expenses and rental agents' fees.

If any income is left after deducting these expenses, you can deduct other expenses, including depreciation, up to the amount of remaining income. You can carry over to 2012 the amounts you cannot deduct.



*Regardless of whether you used the unit as a residence, expenses related to days of personal use do not qualify as rental expenses. You must allocate your expenses based on the number of days of personal use to total use of the property. For example, you used your property for personal use for 7 days and rented it for 63 days. In most cases, 10% (7÷70) of your expenses are not rental expenses and cannot be deducted on Schedule E.*

See Pub. 527 for details.

**QJV.** Check the box for “QJV” if you owned the property as a member of a qualified joint venture reporting income not subject to self-employment tax. See *Husband-Wife Qualified Joint Venture*, earlier.

## Line 3a and 3b

If you received merchant card and third party network payments in 2011, you should receive a Form 1099-K for those payments. Box 1 of Form 1099-K shows the amount of the payments. Merchant cards include, but are not limited to, Visa and MasterCard. Third party networks include, but are not limited to, Paypal and Google Checkout.

In some cases, you may not receive Forms 1099-K for merchant card and third party network payments that you need to include as income.

For 2011, you are not required to report income received via merchant card or third party network payors, so enter zero on line 3a and report all income, regardless of how it was received, on line 3b.

**Rents.** If you received rental income from real estate (including personal property leased with real estate), report the income on line 3b. Use a separate column (A, B, or C) for each rental property. Include income received for renting a room or other space.

If you received services or property instead of money as rent, report the fair market value of what you received as rental income on line 3b.

If you provided significant services to the renter, such as maid service, report the rental activity on Schedule C or C-EZ, not on Schedule E. Significant services do not include the furnishing of heat and light, cleaning of public areas, trash collection, or similar services.

If you were a real estate dealer, include only the rent received from real estate (including personal property leased with this real estate) you held for the primary purpose of renting to produce income. Do not

use Schedule E to report income and expenses from rentals of real estate you held for sale to customers in the ordinary course of your business as a real estate dealer. Instead use Schedule C or C-EZ for those rentals.

For more details on rental income, use TeleTax topic 414 (see *What is TeleTax?* in the Instructions for Form 1040), or see Pub. 527.

**Rental income from farm production or crop shares.** Report farm rental income and expenses on Form 4835 if:

- You are an individual,
- You received rental income based on crops or livestock produced by the tenant, and
- You did not materially participate in the management or operation of the farm.

**Royalties.** Report on line 3b royalties from oil, gas, or mineral properties (not including operating interests); copyrights; and patents. Use a separate column (A, B, or C) for each royalty property.

If you received \$10 or more in royalties during 2011, the payer should send you a Form 1099-MISC or similar statement by January 31, 2012, showing the amount you received. Report this amount on line 3b.

If you are in business as a self-employed writer, inventor, artist, etc., report your royalty income and expenses on Schedule C.

You may be able to treat amounts received as “royalties” for the transfer of a patent or amounts received on the disposal of coal and iron ore as the sale of a capital asset. For details, see Pub. 544.

Enter on line 3b the gross amount of rent and royalty income, even if state or local taxes were withheld from oil or gas payments you received. Include taxes withheld by the producer on line 16.

**Special rule for partners.** If you are a partner that received a Schedule K-1 from the partnership showing royalty income that was reported on Form 1099-K, report this income on line 3b. See the partner’s instructions for your K-1 for details.

## Line 4

Since line 3a is zero, enter on line 4 the amount from line 3b.

## General Instructions for Lines 5 Through 21

Enter your rental and royalty expenses for each property in the appropriate column. You can deduct all ordinary and necessary expenses, such as taxes, interest, repairs, insurance, management fees, agents’ commissions, and depreciation.

Do not deduct the value of your own labor or amounts paid for capital investments or capital improvements.

Enter your total expenses for mortgage interest (line 12), depreciation expenses

and depletion (line 18), and total expenses (line 20) on lines 23e through 23g, respectively, even if you have only one property.

**Renting out part of your home.** If you rent out only part of your home or other property, deduct the part of your expenses that applies to the rented part.

**Credit or deduction for access expenditures.** You may be able to claim a tax credit for eligible expenditures paid or incurred in 2011 to provide access to your business for individuals with disabilities. See Form 8826 for details.

You can also elect to deduct up to \$15,000 of qualified costs paid or incurred in 2011 to remove architectural or transportation barriers to individuals with disabilities and the elderly.

You cannot take both the credit and the deduction for the same expenditures.

## Line 6

You can deduct ordinary and necessary auto and travel expenses related to your rental activities, including 50% of meal expenses incurred while traveling away from home. In most cases you can either deduct your actual expenses or take the standard mileage rate. You must use actual expenses if you used more than four vehicles simultaneously in your rental activities (as in fleet operations). You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

You can use the standard mileage rate for 2011 only if you:

- Owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or
- Leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

If you take the standard mileage rate, multiply the number of miles driven in connection with your rental activities by 51 cents for miles driven before July 1, and 55.5 cents per mile for miles driven after June 30. Include this amount and your parking fees and tolls on line 6.



*You cannot deduct rental or lease payments, depreciation, or your actual auto expenses if you use the standard mileage rate.*

If you deduct actual auto expenses:

- Include on line 6 the rental activity portion of the cost of gasoline, oil, repairs, insurance, tires, license plates, etc., and
- Show auto rental or lease payments on line 19 and depreciation on line 18.

If you claim any auto expenses (actual or the standard mileage rate), you must complete Part V of Form 4562 and attach Form 4562 to your tax return.

See Pub. 527 and Pub. 463 for details.

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## Line 10

Include on line 10 fees for tax advice and the preparation of tax forms related to your rental real estate or royalty properties.

Do not deduct legal fees paid or incurred to defend or protect title to property, to recover property, or to develop or improve property. Instead, you must capitalize these fees and add them to the property's basis.

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## Lines 12 and 13

In most cases, to determine the interest expense allocable to your rental activities, you must have records to show how the proceeds of each debt were used. Specific tracing rules apply for allocating debt proceeds and repayment. See Pub. 535 for details.

If you have a mortgage on your rental property, enter on line 12 the amount of interest you paid for 2011 to banks or other financial institutions.

Do not deduct prepaid interest when you paid it. You can deduct it only in the year to which it is properly allocable. Points, including loan origination fees, charged only for the use of money must be deducted over the life of the loan.

If you paid \$600 or more in interest on a mortgage during 2011, the recipient should send you a Form 1098 or similar statement by January 31, 2012, showing the total interest received from you.

If you paid more mortgage interest than is shown on your Form 1098 or similar statement, see Pub. 535 to find out if you can deduct part or all of the additional interest. If you can, enter the entire deductible amount on line 12. Attach a statement to your return explaining the difference. On the dotted line next to line 12, enter "See attached."

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**Note.** If the recipient was not a financial institution or you did not receive a Form 1098 from the recipient, report your deductible mortgage interest on line 13.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage, and the other person received Form 1098, report your share of the deductible interest on line 13. Attach a statement to your return showing the name and address of the person who received Form 1098. On the dotted line next to line 13, enter "See attached."

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## Line 14

You can deduct the cost of repairs made to keep your property in good working condition. Repairs in most cases do not add significant value to the property or extend its life. Examples of repairs are fixing a broken lock or painting a room. Improvements

that increase the value of the property or extend its life, such as replacing a roof or renovating a kitchen, must be capitalized and depreciated (that is, they cannot be deducted in full in the year they are paid or incurred). See the instructions for line 18.

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## Line 17

You can deduct the cost of ordinary and necessary telephone calls related to your rental activities or royalty income (for example, calls to the renter). However, the base rate (including taxes and other charges) for local telephone service for the first telephone line into your residence is a personal expense and is not deductible.

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## Line 18

Depreciation is the annual deduction you must take to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. Land is not depreciable.

Depreciation starts when you first use the property in your business or for the production of income. It ends when you deduct all your depreciable cost or other basis or no longer use the property in your business or for the production of income.

See the Instructions for Form 4562 to figure the amount of depreciation to enter on line 18.

You must complete and attach Form 4562 only if you are claiming:

- Depreciation on property first placed in service during 2011,
- Depreciation on listed property (defined in the Instructions for Form 4562), including a vehicle, regardless of the date it was placed in service, or
- A section 179 expense deduction or amortization of costs that began in 2011.

See Pub. 527 for more information on depreciation of residential rental property. See Pub. 946 for a more comprehensive guide to depreciation.

If you have an economic interest in mineral property, you may be able to take a deduction for depletion. Mineral property includes oil and gas wells, mines, and other natural deposits (including geothermal deposits). See Pub. 535 for details.

**Separating cost of land and buildings.** If you buy buildings and your cost includes the cost of the land on which they stand, you must divide the cost between the land and the buildings to figure the basis for depreciation of the buildings. The part of the cost that you allocate to each asset is the ratio of the fair market value of that asset to the fair market value of the whole property at the time you buy it.

If you are not certain of the fair market values of the land and the buildings, you can divide the cost between them based on their assessed values for real estate tax purposes.

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## Line 19

Enter on line 19 any ordinary and necessary expenses not listed on lines 5 through 18.

You may be able to deduct, on line 19, part or all of the cost of modifying existing commercial buildings to make them energy efficient. For details, see section 179D, Notice 2006-52, and Notice 2008-40. You can find Notice 2006-52 on page 1175 of Internal Revenue Bulletin 2006-26 at [www.irs.gov/irb/2006-26\\_IRB/ar11.html](http://www.irs.gov/irb/2006-26_IRB/ar11.html). You can find Notice 2008-40 on page 725 of Internal Revenue Bulletin 2008-14 at [www.irs.gov/irb/2008-14\\_IRB/ar12.html](http://www.irs.gov/irb/2008-14_IRB/ar12.html).

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## Line 21

If you have amounts for which you are not at risk, use Form 6198 to determine the amount of your deductible loss. Enter that amount in the appropriate column of Schedule E, line 21. In the space to the left of line 21, enter "Form 6198." Attach Form 6198 to your return. For details on the at-risk rules, see *At-Risk Rules*, earlier.

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## Line 22

Do not complete line 22 if the amount on line 21 is from royalty properties.

If you have a rental real estate loss from a passive activity (defined earlier), the amount of loss you can deduct may be limited by the passive activity loss rules. You may need to complete Form 8582 to figure the amount of loss, if any, to enter on line 22. See the Instructions for Form 8582 to determine if your loss is limited.

If your rental real estate loss is not from a passive activity or you meet the exception for certain rental real estate activities (explained earlier), you do not have to complete Form 8582. Enter the loss from line 21 on line 22.

If you have an unallowed rental real estate loss from a prior year that after completing Form 8582 you can deduct this year, include that loss on line 22.

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## Parts II and III

If you need more space in Part II or III to list your income or losses, attach a continuation sheet using the same format as shown in Part II or III. However, be sure to complete the "Totals" columns for lines 29a and 29b, or lines 34a and 34b, as appropriate. If you also completed Part I on more than one Schedule E, use the same Schedule E on which you entered the combined totals in Part I.

**Tax preference items.** If you are a partner, a shareholder in an S corporation, or a beneficiary of an estate or trust, you must take into account your share of preferences and adjustments from these entities for the alternative minimum tax on Form 6251 or Schedule I (Form 1041).

## Part II

### Income or Loss From Partnerships and S Corporations

If you are a member of a partnership or joint venture or a shareholder in an S corporation, use Part II to report your share of the partnership or S corporation income (even if not received) or loss.



*If you elected to be taxed as a qualified joint venture instead of a partnership, follow the reporting rules under Husband-Wife Qualified Joint Venture, earlier.*

You should receive a Schedule K-1 from the partnership or S corporation. You should also receive a copy of the Partner's or Shareholder's Instructions for Schedule K-1. Your copy of Schedule K-1 and its instructions will tell you where on your return to report your share of the items. If you did not receive these instructions with your Schedule K-1, see the instructions for Form 1040 or Form 1040NR for how to get tax forms, instructions, and publications. Do not attach Schedules K-1 to your return. Keep them for your records.

If you are treating items on your tax return differently from the way the partnership (other than an electing large partnership) or S corporation reported them on its return, you may have to file Form 8082. If you are a partner in an electing large partnership, you must report the items shown on Schedule K-1 (Form 1065-B) on your tax return the same way the partnership reported the items on Schedule K-1.

**Special rules that limit losses.** Please note the following.

- If you have an interest in a partnership or S corporation that is involved in a farming business, your losses may be limited if the partnership accepted certain subsidies. You will be notified on the K-1 if the partnership or S corporation received one of these subsidies. Use Worksheet 1 on the last page of these instructions to determine if you have an excess farm loss. See the instructions for Schedule F for more details on how to complete the worksheet.



*If you have other farming businesses requiring you to file Schedule F or any Schedule C activity of processing a farm commodity, you should use one of the worksheets in the instructions for Schedule F instead of Worksheet 1 on the last page of these instructions.*

- If you have a current year loss, or a prior year unallowed loss, from a partnership or an S corporation, see *At-Risk Rules and Passive Activity Loss Rules*, earlier.

Partners and S corporation shareholders should get a separate statement of income,

expenses, deductions, and credits for each activity engaged in by the partnership and S corporation. If you are subject to the at-risk rules for any activity, check the box on the appropriate line in Part II, column (e) of Schedule E, and use Form 6198 to figure the amount of any deductible loss. If the activity is nonpassive, enter any deductible loss from Form 6198 on the appropriate line in Part II, column (h) of Schedule E.

- If you have a passive activity loss, in most cases you need to complete Form 8582 to figure the amount of the allowable loss to enter in Part II, column (f), for that activity. But if you are a general partner or an S corporation shareholder reporting your share of a partnership or an S corporation loss from a rental real estate activity and you meet all of the conditions listed earlier under *Exception for Certain Rental Real Estate Activities*, you do not have to complete Form 8582. Instead, enter your allowable loss in Part II, column (f).

If you have passive activity income, complete Part II, column (g), for that activity.

If you have nonpassive income or losses, complete Part II, columns (h) through (j), as appropriate.

#### Domestic Partnerships

See the Schedule K-1 instructions before entering on your return other partnership items from a passive activity or income or loss from any publicly traded partnership.

You can deduct unreimbursed ordinary and necessary expenses you paid on behalf of the partnership if you were required to pay these expenses under the partnership agreement. See the instructions for line 27 for how to report these expenses.

Report allowable interest expense paid or incurred from debt-financed acquisitions in Part II or on Schedule A depending on the type of expenditure to which the interest is allocated. See Pub. 535 for details.

If you claimed a credit for federal tax on gasoline or other fuels on your 2010 Form 1040 or Form 1040NR based on information received from the partnership, enter as income in column (g) or column (j), whichever applies, the amount of the credit claimed for 2010.

Part or all of your share of partnership income or loss from the operation of the business may be considered net earnings from self-employment that must be reported on Schedule SE. Enter the amount from Schedule K-1 (Form 1065), box 14, code A (or from Schedule K-1 (Form 1065-B), box 9 (code J1)), on Schedule SE, after you reduce this amount by any allowable expenses attributable to that income.

#### Foreign Partnerships

Follow the instructions below in addition to the instructions above for *Domestic Partnerships*.

If you are a U.S. person, you may have received Forms 1099-B, 1099-DIV, and 1099-INT reporting your share of certain partnership income, because payors of income to the foreign partnership in most cases are required to allocate and report payments of that income directly to each of the partners of the foreign partnership. If you received both Schedule K-1 and Form 1099 for the same type and source of partnership income, report only the income shown on Schedule K-1 in accordance with its instructions.

If you are not a U.S. person, you may have received Forms 1042-S reporting your share of certain partnership income, because payors of income to the foreign partnership in most cases are required to allocate and report payments of that income directly to each of the partners of the foreign partnership. If you received both Schedule K-1 and Form 1042-S for the same type and source of partnership income, report the income on your return as follows.

- For all income effectively connected with the conduct of a trade or business in the United States, report only the income shown on Schedule K-1 in accordance with its instructions.

- For all income **not** effectively connected with the conduct of a trade or business in the United States, report on page 4 of Form 1040NR only the income shown on Form 1042-S (if you are required to file Form 1040NR).

**Requirement to file Form 8865.** If you are a U.S. person, you may have to file Form 8865 if any of the following applies.

1. You controlled a foreign partnership (that is, you owned more than a 50% direct or indirect interest in the partnership).

2. You owned at least a 10% direct or indirect interest in a foreign partnership while U.S. persons controlled that partnership.

3. You had an acquisition, disposition, or change in proportional interest of a foreign partnership that:

- a. Increased your direct interest to at least 10% or reduced your direct interest of at least 10% to less than 10%, or

- b. Changed your direct interest by at least a 10% interest.

4. You contributed property to a foreign partnership in exchange for a partnership interest if:

- a. Immediately after the contribution, you owned, directly or indirectly, at least a 10% interest in the partnership, or

- b. The value of the property you contributed, when added to the value of any other property you or any related person contributed to the partnership during the 12-month period ending on the date of transfer, exceeds \$100,000.

Also, you may have to file Form 8865 to report certain dispositions by a foreign partnership of property you previously contributed to that partnership if you were a partner at the time of the disposition.

For more details, including penalties for failing to file Form 8865, see Form 8865 and its separate instructions.

## S Corporations

If you are a shareholder in an S corporation, your share of the corporation's aggregate losses and deductions (combined income, losses, and deductions) is in most cases limited to the adjusted basis of your corporate stock and any debt the corporation owes you. Any loss or deduction not allowed this year because of the basis limitation can be carried forward and deducted in a later year subject to the basis limitation for that year.

If you are claiming a deduction for your share of an aggregate loss, attach to your return a computation of the adjusted basis of your corporate stock and of any debt the corporation owes you. See the Schedule K-1 instructions for details.

After applying the basis limitation, the deductible amount of your aggregate losses and deductions may be further reduced by the at-risk rules and the passive activity loss rules. See *At-Risk Rules* and *Passive Activity Loss Rules*, earlier.

Distributions of prior year accumulated earnings and profits of S corporations are dividends and are reported on Form 1040, line 9a.

Interest expense relating to the acquisition of shares in an S corporation may be fully deductible on Schedule E. For details, see Pub. 535.

Your share of the net income of an S corporation is not subject to self-employment tax.

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## Line 27

If you answered "Yes" on line 27, follow the instructions below. If you fail to follow these instructions, the IRS may send you a notice of additional tax due because the amounts reported by the partnership or S corporation on Schedule K-1 do not match the amounts you reported on your tax return.

### Losses Not Allowed in Prior Years Due to the At-Risk or Basis Limitations

- Enter your total prior year unallowed losses that are now deductible on a separate line in column (h) of line 28. Do not combine these losses with, or net them against, any current year amounts from the partnership or S corporation.

- Enter "PYA" in column (a) of the same line.

### Prior Year Unallowed Losses From a Passive Activity Not Reported on Form 8582

- Enter on a separate line in column (f) of line 28 your total prior year unallowed losses not reported on Form 8582. Such losses include prior year unallowed losses now deductible because you did not have an overall loss from all passive activities or you disposed of your entire interest in a passive activity in a fully taxable transaction. Do not combine these losses with, or net them against, any current year amounts from the partnership or S corporation.

- Enter "PYA" in column (a) of the same line.

### Unreimbursed Partnership Expenses

- You can deduct unreimbursed ordinary and necessary partnership expenses you paid on behalf of the partnership on Schedule E if you were required to pay these expenses under the partnership agreement (except amounts deductible only as itemized deductions, which you must enter on Schedule A).

- Enter unreimbursed partnership expenses from nonpassive activities on a separate line in column (h) of line 28. Do not combine these expenses with, or net them against, any other amounts from the partnership.

- If the expenses are from a passive activity and you are not required to file Form 8582, enter the expenses related to a passive activity on a separate line in column (f) of line 28. Do not combine these expenses with, or net them against, any other amounts from the partnership.

- Enter "UPE" in column (a) of the same line.

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## Line 28

For nonpassive income or loss (and passive income or losses for which you are not filing Form 8582), enter in the applicable column of line 28 your current year ordinary income or loss from the partnership or S corporation. Report each related item required to be reported on Schedule E (including items of income or loss stated separately on Schedule K-1) in the applicable column of a separate line following the line on which you reported the current year ordinary income or loss. Also enter a description of the related item (for example, depletion) in column (a) of the same line.

If you are required to file Form 8582, see the Instructions for Form 8582 before completing Schedule E.

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## Part III

### Income or Loss From Estates and Trusts

If you are a beneficiary of an estate or trust, use Part III to report your part of the income (even if not received) or loss. You should receive a Schedule K-1 (Form 1041) from the fiduciary. Your copy of Schedule K-1 and its instructions will tell you where on your return to report the items from Schedule K-1. Do not attach Schedule K-1 to your return. Keep it for your records.

If you are treating items on your tax return differently from the way the estate or trust reported them on its return, you may have to file Form 8082.

If you have estimated taxes credited to you from a trust (Form 1041, Schedule K-1, box 13, code A), enter "ES payment claimed" and the amount on the dotted line next to line 37. Do not include this amount in the total on line 37. Instead, enter the amount on Form 1040, line 63, or Form 1040NR, line 62.

A U.S. person who transferred property to a foreign trust may have to report the income received by the trust as a result of the transferred property if, during 2011, the trust had a U.S. beneficiary. See section 679. An individual who received a distribution from, or who was the grantor of or transferor to, a foreign trust must also complete Part III of Schedule B (Form 1040A or 1040) and may have to file Form 3520. In addition, the owner of a foreign trust must ensure that the trust files an annual information return on Form 3520-A.

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## Part IV

### Income or Loss From Real Estate Mortgage Investment Conduits (REMICs)

If you are the holder of a residual interest in a REMIC, use Part IV to report your total share of the REMIC's taxable income or loss for each quarter included in your tax year. You should receive Schedule Q (Form 1066) and instructions from the REMIC for each quarter. Do not attach Schedules Q to your return. Keep them for your records.

If you are treating REMIC items on your tax return differently from the way the REMIC reported them on its return, you may have to file Form 8082.

If you are the holder of a residual interest in more than one REMIC, attach a continuation sheet using the same format as in Part IV. Enter the combined totals of columns (d) and (e) on Schedule E, line 39. If you also completed Part I on more than one Schedule E, use the same Schedule E on

which you entered the combined totals in Part I.

REMIC income or loss is not income or loss from a passive activity.

**Note.** If you are the holder of a regular interest in a REMIC, do not use Schedule E to report the income you received. Instead, report it on Form 1040, line 8a.

**Column (c).** Report the total of the amounts shown on Schedule(s) Q, line 2c. This is the smallest amount you are allowed to report as your taxable income (Form 1040, line 43). It is also the smallest amount you are allowed to report as your alternative minimum taxable income (AMTI) on Form 6251, line 28.

If the amount in column (c) is larger than your taxable income would otherwise be, enter the amount from column (c) on

Form 1040, line 43. Similarly, if the amount in column (c) is larger than your AMTI would otherwise be, enter the amount from column (c) on Form 6251, line 28. Enter "Sch. Q" on the dotted line to the left of this amount on Form 1040, line 43, and Form 6251, line 28, if applicable.

**Note.** These rules also apply to estates and trusts that hold a residual interest in a REMIC. Be sure to make the appropriate entries on the comparable lines on Form 1041.



*Do not include the amount shown in column (c) in the total on Schedule E, line 39.*

**Column (e).** Report the total of the amounts shown on Schedule(s) Q, line 3b.

If you itemize your deductions, include this amount on Schedule A (Form 1040), line 23.

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## Part V Summary

### Line 42

You will not be charged a penalty for underpayment of estimated tax if:

1. Your gross farming or fishing income for 2010 or 2011 is at least two-thirds of your gross income, and
2. You file your 2011 tax return and pay the tax due by March 1, 2012.

# Worksheet 1 — Excess farm loss from an interest in a partnership or S corporation involved in farming business(es)

Keep for Your Records



*In determining if you have an excess farm loss, do not take into account any deductions for losses arising by reason of fire, storm, or other casualty, or by reason of disease or drought, involving your farm businesses.*

1. Enter the amount from your 2011 Schedule(s) E, line 31. If this amount is less than \$300,000 (\$150,000 if married filing separately), stop here. You do not have an excess farm loss in 2011. If more than \$300,000 (\$150,000 if married filing separately), continue to line 2 . . . . .	1.	<input type="text"/>	
2. Subtract \$300,000 (\$150,000 if married filing separately) from line 1 . . . . .	2.	<input type="text"/>	
3. Enter the amount from your 2011 Schedule(s) E, line 30 . . . . .	3.	<input type="text"/>	
4. Is line 3 greater than or equal to line 2? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 5 . . . . .			
5. Enter your net gain/loss from the sale of farming business property reported on Form 4797 . . . . .	5.	<input type="text"/>	
6. Enter your net gain/loss from the sale of farming business property reported on Schedule D . . . . .	6.	<input type="text"/>	
7. Combine line 5 and line 6. If zero or less, enter -0- . . . . .	7.	<input type="text"/>	
8. Add line 3 and line 7. Is this greater than or equal to line 2? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 9 . . . . .	8.	<input type="text"/>	
9. Enter the amount from your 2010 Schedule(s) E, line 32 . . . . .	9.	<input type="text"/>	
10. Enter your combined net gain/loss from the sale of farming business property reported on your 2010 Form 4797 and Schedule D. If zero or less, enter -0- . . . . .	10.	<input type="text"/>	
11. Enter the amount from your 2009 Schedule(s) E, line 32 . . . . .	11.	<input type="text"/>	
12. Enter your combined net gain/loss from the sale of farming business property reported on your 2009 Form 4797 and Schedule D. If zero or less, enter -0- . . . . .	12.	<input type="text"/>	
13. Enter the amount from your 2008 Schedule(s) E, line 32 . . . . .	13.	<input type="text"/>	
14. Enter your combined net gain/loss from the sale of farming business property reported on your 2008 Form 4797 and Schedule D. If zero or less, enter -0- . . . . .	14.	<input type="text"/>	
15. Enter the amount from your 2007 Schedule(s) E, line 32 . . . . .	15.	<input type="text"/>	
16. Enter your combined net gain/loss from the sale of farming business property reported on your 2007 Form 4797 and Schedule D. If zero or less, enter -0- . . . . .	16.	<input type="text"/>	
17. Enter the amount from your 2006 Schedule(s) E, line 32 . . . . .	17.	<input type="text"/>	
18. Enter your combined net gain/loss from the sale of farming business property reported on your 2006 Form 4797 and Schedule D. If zero or less, enter -0- . . . . .	18.	<input type="text"/>	
19. Combine lines 9 through 18. If zero or less, enter -0- . . . . .	19.	<input type="text"/>	
20. Enter the greater of line 19 or \$300,000 (\$150,000 if married filing separately) . . . . .	20.	<input type="text"/>	
21. Add line 8 and line 20 . . . . .	21.	<input type="text"/>	
22. <b>Excess farm loss.</b> Subtract line 1 from line 21. If zero or less, you have an excess farm loss that reduces the amount of loss you can deduct this year. If you have more than one farming business with an overall loss this year, allocate the excess farm loss amount on a <i>pro rata</i> basis among those farming businesses. . . . .	22.	<input type="text"/>	



# 2011 Instructions for Schedule F

## Profit or Loss From Farming

Use Schedule F (Form 1040) to report farm income and expenses. File it with Form 1040, 1040NR, 1041, 1065, or 1065-B.

Your farming activity may subject you to state and local taxes and other requirements such as business licenses and fees. Check with your state and local governments for more information.

**Additional information.** Pub. 225 has more information and examples to help you complete your farm tax return. It also lists important dates that apply to farmers.

Section references are to the Internal Revenue Code unless otherwise noted.

### What's New

**Future developments.** For the latest information about Schedule F (Form 1040), including any developments after these instructions were released, go to [www.irs.gov/form1040](http://www.irs.gov/form1040).

**New merchant card reporting requirements.** We added new lines to implement reporting of farm income received via merchant card (credit and debit cards) and third party network payments. These amounts are reported as "specified" income on Schedule F (Form 1040). However, for 2011, the IRS has deferred the requirement to report these amounts. Therefore, enter zero on lines 1a, 2a, 7a, 8a, 37a, 42a, and 43a, and report farm income on lines 1b, 2b, 7b, 8b, 37b, 42b, and 43b. See the instructions for Part I.

**Standard mileage rate.** The standard mileage rate for business use of your vehicle increased to 51 cents per mile for miles driven before July 1, 2011, and increased to 55.5 cents per mile for miles driven after June 30, 2011. See the instructions for line 10.

**Information reporting requirements.** New lines F and G address your required filing of Forms 1099 in 2011. See the line F instructions for details and see the General Instructions for Certain Information Returns to determine whether you are required to file any Forms 1099.

**Heavy highway vehicle use tax.** This tax has been extended through September 30, 2012. See Form 2290 and its instructions for the extended filing deadline for 2011.

### General Instructions

#### Other Schedules and Forms You May Have To File

- Schedule E (Form 1040), Part I, to report rental income from pastureland based on a flat charge. However, report on Schedule F (Form 1040), line 8a, pasture income received from taking care of someone else's livestock. Also use Schedule E (Form 1040), Part I, to report farm rental income and expenses of a trust or estate based on crops or livestock produced by a tenant.

- Schedule J (Form 1040) to figure your tax by averaging your farm income over the previous 3 years. Doing so may reduce your tax.

- Schedule SE (Form 1040) to pay self-employment tax on income from your farming business.

- Form 3800 to claim any general business credits.

- Form 4562 to claim depreciation (including the special allowance) on assets placed in service in 2011, to claim amortization that began in 2011, to make an election under section 179 to expense certain property, or to report information on vehicles and other listed property.

- Form 4684 to report a casualty or theft gain or loss involving farm business property, including purchased livestock held for draft, breeding, sport, or dairy purposes. See Pub. 225 for more information on how to report various farm losses, such as losses due to death of livestock or damage to crops or other farm property.

- Form 4797 to report sales, exchanges, or involuntary conversions (other than from a casualty or theft) of certain farm property. Also use this form to report sales of livestock held for draft, breeding, sport, or dairy purposes.

- Form 4835 to report rental income based on crop or livestock shares produced by a tenant if you did not materially participate in the management or operation of a farm. This income is not subject to self-employment tax. See Pub. 225.

- Form 6198 to figure your allowable loss if you have a business loss and you have amounts invested in the business for which you are not at risk.

- Form 8582 to figure your deductible loss from passive activities.

- Form 8824 to report like-kind exchanges.

- Form 8903 to take a deduction for income from domestic production activities.

**Single-member limited liability company (LLC).** Generally, a single-member domestic LLC is not treated as a separate entity for federal income tax purposes. If you are the sole member of a domestic LLC engaged in the business of farming, file Schedule F (Form 1040). However, you can elect to treat a domestic LLC as a corporation. See Form 8832 for details on the election.

**Heavy highway vehicle use tax.** If you use certain highway trucks, truck-trailers, tractor trailers, or buses in your farming business, you may have to pay a federal highway motor vehicle use tax. See the Instructions for Form 2290 to find out if you owe this tax and go to [www.irs.gov/trucker](http://www.irs.gov/trucker) for the latest developments.

**Information returns.** You may have to file information returns for wages paid to employees, certain payments of fees and other non-employee compensation, interest, rents, royalties, real estate transactions, annuities, and pensions. For details, see the instructions for line F and the 2011 General Instructions for Certain Information Returns.

If you received cash of more than \$10,000 in one or more related transactions in your farming business, you may have to file Form 8300. For details, see Pub. 1544.

**Reportable transaction disclosure statement.** If you entered into a reportable transaction in 2011, you must file Form 8886 to disclose information if your federal income tax liability is affected by your

participation in the transaction. You may have to pay a penalty if you are required to file Form 8886 but do not do so. You may also have to pay interest and penalties on any reportable transaction understatements. For more information on reportable transactions, see the Instructions for Form 8886.

## Husband-Wife Farm

If you and your spouse jointly own and operate a farm as an unincorporated business and share in the profits and losses, you can be taxed as a partnership and file Form 1065, or you each can file Schedule F (Form 1040) as a qualified joint venture.

## Qualified Joint Venture

If you and your spouse each materially participate as the only members of a jointly owned and operated farm, and you file a joint return for the tax year, you can elect to be treated as a qualified joint venture instead of a partnership. This election in most cases will not increase the total tax owed on the joint return, but it does give each of you credit for social security earnings on which retirement benefits are based and for Medicare coverage without filing a partnership return. For an explanation of “material participation,” see the instructions for Schedule C (Form 1040), line G, and the instructions for line E, later, in these instructions.

**Making the election.** To make this election, you must divide all items of income, gain, loss, deduction, and credit attributable to the farming business between you and your spouse in accordance with your respective interests in the venture. Each of you must file a separate Schedule F (Form 1040). On each line of your separate Schedule F (Form 1040), you must enter your share of the applicable income, deduction, or loss. Each of you must also file a separate Schedule SE (Form 1040) to pay self-employment tax, as applicable.

As long as you remain qualified, your election cannot be revoked without IRS consent.

For more information on qualified joint ventures, go to [IRS.gov](http://IRS.gov). Enter “qualified joint venture” in the search box and select “Election for Husband and Wife Unincorporated Businesses.”

## Exception—Community Income

If you and your spouse wholly own an unincorporated farming business as community property under the community property laws of a state, foreign country, or U.S. possession, the income and deductions are reported as follows.

- If only one spouse participates in the business, all of the income from that business is the self-employment earnings of the spouse who carried on the business.
- If both spouses participate, the income and deductions are allocated to the spouses based on their distributive shares.
- If either or both you and your spouse are partners in a partnership, see Pub. 541.
- If you and your spouse elected to treat the business as a qualifying joint venture, see *Husband-Wife Farm*, earlier.

The only states with community property laws are Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington, and Wisconsin. A change in your reporting position will be treated as a conversion of the entity.

## Estimated Tax

If you had to make estimated tax payments for 2011 and you underpaid your estimated tax, you will not be charged a penalty if both of the following apply.

- Your gross farming or fishing income for 2010 or 2011 is at least two-thirds of your gross income, and
- You file your 2011 tax return and pay the tax due by March 1, 2012.

For details, see chapter 15 of Pub. 225.

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## Specific Instructions

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**Filers of Forms 1041, 1065, and 1065-B.** Do not complete the block labeled “Social security number (SSN).” Instead, enter the employer identification number (EIN) issued to the estate, trust, or partnership on line D.

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## Line B

On line B, enter one of the 14 principal agricultural activity codes listed in Part IV on page 2 of Schedule F (Form 1040). Select the code that best describes the source of most of your income.

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## Line C

If you use the cash method, check the box for “Cash.” Complete Schedule F (Form 1040), Parts I and II. In most cases, report income in the year in which you actually or constructively received it and deduct expenses in the year you paid them. However, if the payment of an expenditure creates an asset having a useful life that extends substantially beyond the close of the year, it may not be deductible or may be deductible only in part for the year of the payment. See chapter 2 of Pub. 225.

If you use an accrual method, check the box for “Accrual.” Complete Schedule F (Form 1040), Parts II, III, and Part I, line 9. Generally, report income in the year in which you earned it and deduct expenses in the year you incurred them, even if you did not pay them in that year. Accrual basis taxpayers are put on a cash basis for deducting business expenses owed to a related cash-basis taxpayer. Other rules determine the timing of deductions based on economic performance. See Pub. 538.

**Farming syndicates.** Farming syndicates cannot use the cash method of accounting. A farming syndicate may be a partnership, LLC, S corporation, or any other enterprise other than a C corporation if:

- The interests in the business have at any time been offered for sale in a way that would require registration with any federal or state agency, or
- More than 35% of the loss during any tax year is shared by limited partners or limited entrepreneurs. A limited partner is one who can lose only the amount invested or required to be invested in the partnership. A limited entrepreneur is a person who does not take any active part in managing the business.

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## Line D

Enter on line D the employer identification number (EIN) that was issued to you on Form SS-4. Do not enter your SSN. Do not enter another taxpayer’s EIN (for example, from any Forms 1099-MISC that you received.) **If you do not have an EIN, leave line D blank.**

You need an EIN only if you have a qualified retirement plan or are required to file employment, excise, alcohol, tobacco, or firearms returns, or if you are a payer of gambling winnings. If you need an EIN, see the Instructions for Form SS-4.

**Single-member LLCs.** If you are a sole owner of an LLC that is not treated as a separate entity for federal income tax purposes, you may have an EIN that was issued to the LLC (and in the LLC’s legal name) if you are required to file employment tax returns and certain excise tax returns. However, you should **enter on line D only the EIN issued to you and in your name as the sole proprietor of your farming business.** If you do not have such an EIN, leave line D blank. Do not enter on line D the EIN issued to the LLC.

**Single-member limited liability companies (LLCs) with employees.** Single-member LLCs that are disregarded as entities separate from their owner for federal tax purposes are required to file employment

tax returns using the LLC's name and employer identification number (EIN) rather than the LLC owner's name and EIN. Single-member LLCs not previously needing an EIN may need to obtain an EIN for the payment and reporting of these taxes. For more information, see the Instructions for Form SS-4.

**Filers of Forms 1041, 1065, and 1065-B.** Enter on line D the EIN issued to the estate, trust, or partnership.

## Line E

**Material participation.** For the definition of material participation for purposes of the passive activity rules, see the instructions for Schedule C (Form 1040), line G. If you meet any of the material participation tests described in those instructions, check the "Yes" box.

If you are a retired or disabled farmer, you are treated as materially participating in a farming business if you materially participated 5 or more of the 8 years preceding your retirement or disability. Also, a surviving spouse is treated as materially participating in a farming activity if he or she actively manages the farm and the real property used for farming meets the estate tax rules for special valuation of farm property passed from a qualifying decedent.

Check the "No" box if you did not materially participate. If you checked "No" and you have a loss from this business, see *Limit on passive losses* below. If you have a profit from this business activity but have current year losses from other passive activities or prior year unallowed passive activity losses, see the Instructions for Form 8582.

**Limit on passive losses.** If you checked the "No" box and you have a loss from this business, you may have to use Form 8582 to figure your allowable loss, if any, to enter on Schedule F (Form 1040), line 34. In most cases, you can deduct losses from passive activities only to the extent of income from passive activities. For details, see Pub. 925.

## Line F

If you made any payments in 2011 that would require you to file any Forms 1099, check the "Yes" box. Otherwise, check the "No" box. See the General Instructions for Certain Information Returns if you are unsure whether you are required to file any Forms 1099. Also see the separate specific instructions for each Form 1099.



Generally, you must file Form 1099-MISC if you paid at least \$600 in rents, services, prizes, medical and health care payments, and other income payments. The Guide to Information Returns on page 15 of the General Instructions for Certain Information Returns has more information, including the due dates for the various information returns.

## Part I. Farm Income—Cash Method

In Part I, show income received for items listed on lines 1 through 8b. In most cases, include both the cash actually or constructively received and the fair market value of goods or other property received for these items. Income is constructively received when it is credited to your account or set aside for you to use. However, direct payments or counter-cyclical payments received under the Food, Conservation, and Energy Act of 2008 are required to be included in income only in the year of actual receipt.

If you ran the farm yourself and received rents based on crop shares or farm production, report these rents as income on line 2a or 2b, depending on the method of payment. See *Form 1099-K* later.

**Sales of livestock because of weather-related conditions.** If you sold livestock because of drought, flood, or other weather-related conditions, you can elect to report the income from the sale in the year after the year of sale if all of the following apply.

- Your main business is farming.
- You can show that you sold the livestock only because of weather-related conditions.
- Your area qualified for federal aid.

See chapter 3 of Pub. 225 for details.

**Chapter 11 bankruptcy.** If you were a debtor in a chapter 11 bankruptcy case during 2011, see *Chapter 11 Bankruptcy Cases* under *Income* in the instructions for Form 1040 and the instructions for Schedule SE (Form 1040).

**Forms 1099 or CCC-1099-G.** If you received Forms 1099 or CCC-1099-G showing amounts paid to you, first determine if the amounts are to be included with farm income. Then use the following chart to determine where to report the income on Schedule F (Form 1040). Include the Form 1099 or CCC-1099-G amounts in the total amount reported on that line.

Form	Where to report
1099-PATR . . . . .	Line 3a
1099-A . . . . .	Line 5b
1099-MISC for crop insurance . . . . .	Line 6a
1099-G or CCC-1099-G	
• for disaster payments . . . . .	Line 6a
• for other agricultural program payments . . . . .	Line 4a

**Form 1099-K.** If you receive merchant card or third party network payments in 2011, you should receive a Form 1099-K showing those payments. Box 1 of Form 1099-K shows the amount of the payments. Merchant cards include, but are not limited to, Visa and MasterCard. Third party networks include, but are not limited to, Paypal and Google Checkout.

In some cases, you may not receive Forms 1099-K for merchant card or third party network payments that you need to include as income.

For 2011, you are not required to report income received via merchant card or third party network payers, so enter zero on the lines for "specified" income (lines 1a, 2a, 7a, and 8a). Report all your farming income, regardless of how it was received, on lines 1b, 2b, 7b, or 8b.

**Form 1099-MISC.** You may receive Form 1099-MISC for other types of income. In this case, report it on whichever line best describes the income, but do not include it on the line for merchant card or third party network payments. For example, if you receive a Form 1099-MISC for custom farming work, include this amount on line 7b.

### Line 1b

Enter income you receive from sales of livestock and other items you bought for resale on line 1b.

### Line 2b

Enter income you receive from sales of livestock, produce, grains and other products you raised on line 2b.

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## Lines 3a and 3b

If you received distributions from a cooperative in 2011, you should receive a Form 1099-PATR. On line 3a, show your total distributions from cooperatives. This includes patronage dividends, nonpatronage distributions, per-unit retain allocations, and redemptions of nonqualified written notices of allocation and per-unit retain certificates.

Show patronage dividends received in cash and the dollar amount of qualified written notices of allocation. If you received property as patronage dividends, report the fair market value of the property as income. Include cash advances received from a marketing cooperative. If you received per-unit retains in cash, show the amount of cash. If you received qualified per-unit retain certificates, show the stated dollar amount of the certificates.

Do not include as income on line 3b patronage dividends from buying personal or family items, capital assets, or depreciable assets. Enter these amounts on line 3a only. Because you do not report patronage dividends from these items as income, you must subtract the amount of the dividend from the cost or other basis of these items.

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## Lines 4a and 4b

Enter on line 4a the total of the following amounts.

- Direct payments.
- Counter-cyclical payments.
- Price support payments.
- Market gain from the repayment of a secured Commodity Credit Corporation (CCC) loan for less than the original loan amount.
  - Diversion payments.
  - Cost-share payments (sight drafts).
  - Payments in the form of materials (such as fertilizer or lime) or services (such as grading or building dams).

These amounts are government payments you received and are usually reported to you on Form 1099-G. You may also receive Form CCC-1099-G from the Department of Agriculture showing the amounts and types of payments made to you.

On line 4b, report only the taxable amount. For example, do not report the market gain shown on Form CCC-1099-G on line 4b if you elected to report CCC loan proceeds as income in the year received (see *Lines 5a Through 5c* next). No gain results from redemption of the commodity because you previously reported the CCC loan proceeds as income. You are treated as repurchasing the commodity for the amount of the loan repayment. However, if you did not report the CCC loan proceeds under the election, you must report the market gain on line 4b.

If you received a direct or counter-cyclical payment in 2011, your farm losses may be reduced or eliminated. See *Excess farm loss rules*, later, for more details.

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## Lines 5a Through 5c

**Commodity Credit Corporation (CCC) loans.** In most cases, you do not report CCC loan proceeds as income. However, if you pledge part or all of your production to secure a CCC loan, you can elect to report the loan proceeds as income in the year you receive them. If you make this election (or made the election in a prior year), report loan proceeds you received in 2011 on line 5a. Attach a statement to your return showing the details of the loan(s). See chapter 3 of Pub. 225.

**Forfeited CCC loans.** Include the full amount forfeited on line 5b, even if you reported the loan proceeds as income. This amount may be reported to you on Form 1099-A.

If you did not elect to report the loan proceeds as income, also include the forfeited amount on line 5c.

If you did elect to report the loan proceeds as income, you generally will not have an entry on line 5c. But if the amount forfeited is different from your basis in the commodity, you may have an entry on line 5c.

See chapter 3 of Pub. 225 for details on the tax consequences of electing to report CCC loan proceeds as income or forfeiting CCC loans.

If you received a CCC loan in 2011, your farm losses may be reduced or eliminated. See *Excess farm loss rules*, later, for more details.

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## Lines 6a Through 6d

In most cases, you must report crop insurance proceeds in the year you receive them. Federal crop disaster payments are treated as crop insurance proceeds. However, if 2011 was the year of damage, you can elect to include certain proceeds in income for 2012. To make this election, check the box on line 6c and attach a statement to your return. See chapter 3 of Pub. 225 for a description of the proceeds for which an election can be made and for what you must include in your statement.

In most cases, if you elect to defer any eligible crop insurance proceeds, you must defer all such crop insurance proceeds (including federal crop disaster payments).

Enter on line 6a the total crop insurance proceeds you received in 2011, even if you elect to include them in income for 2012.

Enter on line 6b the taxable amount of the proceeds you received in 2011. Do not include proceeds you elect to include in income for 2012.

Enter on line 6d the amount, if any, of crop insurance proceeds you received in 2010 and elected to include in income for 2011.

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## Line 7b

Enter income you receive from custom hire (machine work) on line 7b.

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## Line 8b

Enter on line 8b income not otherwise reportable on lines 1 through 7b. This includes the following types of income.

- Illegal federal irrigation subsidies. See chapter 3 of Pub. 225.
- Bartering income.
- Income from cancellation of debt. In most cases, if a debt is canceled or forgiven, you must include the canceled amount in income. If a federal agency, financial institution, or credit union canceled or forgave a debt you owed of \$600 or more, it should send you a Form 1099-C, or similar statement, by January 31, 2012, showing the amount of debt canceled in 2011. However, you may be able to exclude the canceled debt from income. See Pub. 4681 for details.
  - State gasoline or fuel tax refunds you received in 2011.
  - The amount of credit for alcohol and cellulosic biofuel fuels claimed on Form 6478.
  - The amount of credit for biodiesel and renewable diesel fuels claimed on Form 8864.
  - The amount of credit for federal tax paid on fuels claimed on your 2010 Form 1040. For information on including the credit in income, see chapter 2 of Pub. 510.

- Any recapture of excess depreciation on any listed property, including any section 179 expense deduction, if the business use percentage of that property decreased to 50% or less in 2011. Use Part IV of Form 4797 to figure the recapture. See the instructions for Schedule C (Form 1040), line 13, for the definition of listed property.

- The inclusion amount on leased listed property (other than vehicles) when the business use percentage drops to 50% or less. See chapter 5 of Pub. 946 to figure the amount.

- Any recapture of the deduction for clean-fuel vehicles and clean-fuel vehicle refueling property used in your farming business. For details on how to figure recapture, see Regulations section 1.179A-1.

- Any income from breeding fees, or fees from renting teams, machinery, or land.

- The gain or loss on the sale of commodity futures contracts if the contracts were made to protect you from price changes. These are a form of business insurance and are considered hedges. If you had a loss in a closed futures contract, enclose the amount of the loss in parentheses.



*For property acquired and hedging positions established, you must clearly identify on your books and records both the hedging transaction and the item(s) or aggregate risk being hedged.*

Purchase or sales contracts are not true hedges if they offset losses that already occurred. If you bought or sold commodity futures with the hope of making a profit due to favorable price changes, report the profit or loss on Form 6781 instead of this line.

## Line 9

Since lines 1a, 2a, 7a, and 8a are zero, enter on line 9 the total of amounts from lines 1e, 2b, 3b, 4b, 5a, 5c, 6b, 6d, 7b, and 8b.

## Part II. Farm Expenses

Do not deduct the following.

- Personal or living expenses (such as taxes, insurance, or repairs on your home) that do not produce farm income.
- Expenses of raising anything you or your family used.
- The value of animals you raised that died.
- Inventory losses.
- Personal losses.

If you were repaid for any part of an expense, you must subtract the amount you were repaid from the deduction.

**Capitalizing costs of property.** If you produced real or tangible personal property or acquired property for resale, certain expenses must be included in inventory costs or capitalized. These expenses include the direct costs of the property and the share of any indirect costs allocable to that property. However, these rules generally do not apply to expenses of:

1. Producing any plant that has a preproductive period of 2 years or less,
2. Raising animals, or
3. Replanting certain crops if they were lost or damaged by reason of freezing temperatures, disease, drought, pests, or casualty.



*Exceptions (1) and (2) do not apply to tax shelters, farming syndicates, partnerships, or corporations required to use the accrual method of accounting under section 447 or 448(a)(3).*

If you capitalize your expenses, do not reduce your deductions on lines 10 through 32e by the capitalized expenses. Instead, enter

the total amount capitalized in parentheses on line 32f (to indicate a negative amount) and enter "263A" in the space to the left of the total. See *Preproductive period expenses*, later, for details.

But you may be able to currently deduct rather than capitalize the expenses of producing a plant with a preproductive period of more than 2 years. See *Election to deduct certain preproductive period expenses* next.

**Election to deduct certain preproductive period expenses.** If the preproductive period of any plant you produce is more than 2 years, you can elect to currently deduct the expenses rather than capitalize them. But you cannot make this election for the costs of planting or growing citrus or almond groves incurred before the end of the fourth tax year beginning with the tax year you planted them in their permanent grove. You are treated as having made the election by deducting the preproductive period expenses in the first tax year for which you can make this election and by applying the special rules, discussed later.



*In the case of a partnership or S corporation, the election must be made by the partner, shareholder, or member. This election cannot be made by tax shelters, farming syndicates, partnerships, or corporations required to use the accrual method of accounting under section 447 or 448(a)(3).*

Unless you obtain IRS consent, you must make this election for the first tax year in which you engage in a farming business involving the production of property subject to the capitalization rules. You cannot revoke this election without IRS consent.

**Special rules.** If you make the election to deduct preproductive expenses for plants:

- Any gain you realize when disposing of the plants is ordinary income up to the amount of the preproductive expenses you deducted, and
- The alternative depreciation rules apply to property placed in service in any tax year your election is in effect.

For details, see *Uniform Capitalization Rules* in chapter 6 of Pub. 225.

**Prepaid farm supplies.** In most cases, if you use the cash method of accounting and your prepaid farm supplies are more than 50% of your other deductible farm expenses, your deduction for those supplies may be limited. Prepaid farm supplies include expenses for feed, seed, fertilizer, and similar farm supplies not used or consumed during the year.

They also include the cost of poultry that would be allowable as a deduction in a later tax year if you were to:

1. Capitalize the cost of poultry bought for use in your farming business and deduct it ratably over the lesser of 12 months or the useful life of the poultry, and
2. Deduct the cost of poultry bought for resale in the year you sell or otherwise dispose of it.

If the limit applies, you can deduct prepaid farm supplies that do not exceed 50% of your other deductible farm expenses in the year of payment. You can deduct the excess only in the year you use or consume the supplies (other than poultry, which is deductible as explained above). For details and exceptions to these rules, see chapter 4 of Pub. 225.

Whether or not this 50% limit applies, your expenses for livestock feed paid during the year but consumed in a later year may be subject to the rules explained in the line 16 instructions.

## Line 10

You can deduct the actual expenses of operating your car or truck or take the standard mileage rate. You must use actual expenses if you used your vehicle for hire or you used five or more vehicles simultaneously in your farming business (such as in fleet operations). You

cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

You can take the standard mileage rate for 2011 only if you:

- Owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or
- Leased the vehicle and are using the standard mileage rate for the entire lease period.

If you take the standard mileage rate:

- Multiply the number of business miles driven before July 1 by 51 cents, and the number of business miles driven after June 30 by 55.5 cents, and
- Add to this amount your parking fees and tolls, and enter the total on line 10.

Do not deduct depreciation, rent or lease payments, or your actual operating expenses.

If you deduct actual expenses:

- Include on line 10 the business portion of expenses for gasoline, oil, repairs, insurance, tires, license plates, etc., and
- Show depreciation on line 14 and rent or lease payments on line 24a.

If you claim any car or truck expenses (actual or the standard mileage rate), you must provide the information requested on Form 4562, Part V. Be sure to attach Form 4562 to your return.

For details, see chapter 4 of Pub. 463.

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## Line 12

Deductible conservation expenses generally are those that are paid to conserve soil and water for land used in farming, to prevent erosion of land used for farming, or for endangered species recovery. These expenses include (but are not limited to) costs for the following.

- The treatment or movement of earth, such as leveling, grading, conditioning, terracing, contour furrowing, and the restoration of soil fertility.
- The construction, control, and protection of diversion channels, drainage ditches, irrigation ditches, earthen dams, water-courses, outlets, and ponds.
- The eradication of brush.
- The planting of windbreaks.
- The achievement of site-specific management actions recommended in recovery plans approved pursuant to the Endangered Species Act of 1973.

These expenses can be deducted only if they are consistent with a conservation plan approved by the Natural Resources Conservation Service of the Department of Agriculture or a recovery plan approved pursuant to the Endangered Species Act of 1973, for the area in which your land is located. If no plan exists, the expenses must be consistent with a plan of a comparable state agency. You cannot deduct the expenses if they were paid or incurred for land used in farming in a foreign country.

Do not deduct expenses you paid or incurred to drain or fill wetlands, or to prepare land for center pivot irrigation systems.

Your deduction cannot exceed 25% of your gross income from farming (excluding certain gains from selling assets such as farm machinery and land). If your conservation expenses are more than the limit, the excess can be carried forward and deducted in later tax years. However, the amount deductible for any one year cannot exceed the 25% gross income limit for that year.

For details, see chapter 5 of Pub. 225.

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## Line 13

Enter amounts paid for custom hire or machine work (the machine operator furnished the equipment).

Do not include amounts paid for rental or lease of equipment you operated yourself. Instead, report those amounts on line 24a.

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## Line 14

You can deduct depreciation of buildings, improvements, cars and trucks, machinery, and other farm equipment of a permanent nature.

Do not deduct depreciation on your home, furniture or other personal items, land, livestock you bought or raised for resale, or other property in your inventory.

You can also elect under section 179 to expense a portion of the cost of certain property you bought in 2011 for use in your farming business. The section 179 election is made on Form 4562.

For information about depreciation and the section 179 deduction, see Pub. 946 and chapter 7 of Pub. 225. For details on the special depreciation allowance, see chapter 3 of Pub. 946.

See the Instructions for Form 4562 for information on when you must complete and attach Form 4562.

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## Line 15

Deduct contributions to employee benefit programs that are not an incidental part of a pension or profit-sharing plan included on line 23. Examples are accident and health plans, group-term life insurance, and dependent care assistance programs. If you made contributions on your behalf as a self-employed person to a dependent care assistance program, complete Form 2441, Parts I and III, to figure your deductible contributions to that program.

Contributions you made on your behalf as a self-employed person to an accident and health plan or for group-term life insurance are not deductible on Schedule F (Form 1040). However, you may be able to deduct on Form 1040, line 29 (or on Form 1040NR, line 29), the amount you paid for health insurance on behalf of yourself, your spouse, and dependent(s) even if you do not itemize your deductions. See the instructions for Form 1040, line 29, or Form 1040NR, line 29, for details.

You must reduce your line 15 deduction by the amount of any credit for small employer health insurance premiums determined on Form 8941. See Form 8941 and its instructions to determine which expenses are eligible for the credit.

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## Line 16

If you use the cash method, you cannot deduct when paid the cost of feed your livestock will consume in a later year unless all of the following apply.

- The payment was for the purchase of feed rather than a deposit.
- The prepayment had a business purpose and was not made merely to avoid tax.
- Deducting the prepayment will not materially distort your income.

If all of the above apply, you can deduct the prepaid feed when paid, subject to the overall limit for *Prepaid farm supplies* explained earlier. If all of the above do not apply, you can deduct the prepaid feed only in the year it is consumed.

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## Line 18

Do not include the cost of transportation incurred in purchasing livestock held for resale as freight paid. Instead, add these costs to the cost of the livestock.

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## Line 20

Deduct on this line premiums paid for farm business insurance. Deduct on line 15 amounts paid for employee accident and health insurance. Amounts credited to a reserve for self-insurance or premiums paid for a policy that pays for your lost earnings due to sickness or disability are not deductible. For details, see chapter 6 of Pub. 535.

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## Lines 21a and 21b

**Interest allocation rules.** The tax treatment of interest expense differs depending on its type. For example, home mortgage interest and investment interest are treated differently. "Interest allocation" rules require you to allocate (classify) your interest expense so it is deducted (or capitalized) on the correct line of your return and receives the right tax treatment. These rules could affect how much interest you are allowed to deduct on Schedule F (Form 1040).

In most cases, you allocate interest expense by tracing how the proceeds of the loan are used. See chapter 4 of Pub. 535 for details.

If you paid interest on a debt secured by your main home and any of the proceeds from that debt were used in your farming business, see chapter 4 of Pub. 535 to figure the amount to include on lines 21a and 21b.

**How to report.** If you have a mortgage on real property used in your farming business (other than your main home), enter on line 21a the interest you paid for 2011 to banks or other financial institutions for which you received a Form 1098 (or similar statement). If you did not receive a Form 1098, enter the interest on line 21b.

If you paid more mortgage interest than is shown on Form 1098, see chapter 4 of Pub. 535 to find out if you can deduct the additional interest. If you can, include the amount on line 21a. Attach a statement to your return explaining the difference and enter "See attached" in the margin next to line 21a.

If you and at least one other person (other than your spouse if you file a joint return) were liable for and paid interest on the mortgage and the other person received the Form 1098, include your share of the interest on line 21b. Attach a statement to your return showing the name and address of the person who received the Form 1098. In the margin next to line 21b, enter "See attached."

Do not deduct interest you prepaid in 2011 for later years; include only the part that applies to 2011.

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## Line 22

Enter the amounts you paid for farm labor. Do not include amounts paid to yourself. Reduce your deduction by the amounts claimed on:

- Form 5884, Work Opportunity Credit, line 2;
- Form 8844, Empowerment Zone and Renewal Community Employment Credit, line 2;
- Form 8845, Indian Employment Credit, line 4; and
- Form 8932, Credit for Employer Differential Wage Payments, line 2.

Include the cost of boarding farm labor but not the value of any products they used from the farm. Include only what you paid household help to care for farm laborers.



*If you provided taxable fringe benefits to your employees, such as personal use of a car, do not include in farm labor the amounts you depreciated or deducted elsewhere.*

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## Line 23

Enter your deduction for contributions to employee pension, profit-sharing, or annuity plans. If the plan included you as a self-employed person, enter contributions made as an employer on your behalf on Form 1040, line 28 (or on Form 1040NR, line 28), not on Schedule F (Form 1040).

In most cases, you must file the applicable form listed next if you maintain a pension, profit-sharing, or other funded-deferred compensation plan. The filing requirement is not affected by whether or not the plan qualified under the Internal Revenue Code, or whether or not you claim a deduction for the current tax year. There is a penalty for failure to timely file these forms.

**Form 5500-EZ.** File this form if you have a one-participant retirement plan that meets certain requirements. A one-participant plan is a plan that covers only you (or you and your spouse).

**Form 5500-SF.** File this form if you have a small plan (fewer than 100 participants in most cases) that meets certain requirements.

**Form 5500.** File this form for a plan that does not meet the requirements for filing Form 5500-EZ or Form 5500-SF.

For details, see Pub. 560.

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## Lines 24a and 24b

If you rented or leased vehicles, machinery, or equipment, enter on line 24a the business portion of your rental cost. But if you leased a vehicle for a term of 30 days or more, you may have to reduce your deduction by an inclusion amount. See *Leasing a Car* in chapter 4 of Pub. 463 to figure this amount.

Enter on line 24b amounts paid to rent or lease other property such as pasture or farmland.

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## Line 25

Enter amounts you paid for incidental repairs and maintenance of farm buildings, machinery, and equipment that do not add to the property's value or appreciably prolong its life.

Do not deduct repairs or maintenance on your home.

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## Line 29

You can deduct the following taxes on this line.

- Real estate and personal property taxes on farm business assets.
- Social security and Medicare taxes you paid to match what you are required to withhold from farm employees' wages without consideration for the temporary employee payroll tax cut for 2011.
- Federal unemployment tax.
- Federal highway use tax.
- Contributions to state unemployment insurance fund or disability benefit fund if they are considered taxes under state law.

Do not deduct the following taxes on this line.

- Federal income taxes, including your self-employment tax. However, you can deduct your employer-equivalent portion of self-employment tax on Form 1040, line 27 or Form 1040NR, line 27.
- Estate and gift taxes.

- Taxes assessed for improvements, such as paving and sewers.
- Taxes on your home or personal use property.
- State and local sales taxes on property purchased for use in your farming business. Instead, treat these taxes as part of the cost of the property.
- Other taxes not related to your farming business.

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## Line 30

Enter amounts you paid for gas, electricity, water, and other utilities for business use on the farm. Do not include personal utilities. You cannot deduct the base rate (including taxes) of the first telephone line into your residence, even if you use it for your farming business. But you can deduct expenses you paid for your farming business that are more than the cost of the base rate for the first phone line. For example, if you had a second phone line, you can deduct the business percentage of the charges for that line, including the base rate charges.

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## Lines 32a Through 32f

Include all ordinary and necessary farm expenses not deducted elsewhere on Schedule F (Form 1040), such as advertising, office supplies, etc. Do not include fines or penalties paid to a government for violating any law.

**At-risk loss deduction.** Any loss from this activity that was not allowed as a deduction last year because of the at-risk rules is treated as a deduction allocable to this activity in 2011. However, for the loss to be deductible, the amount “at risk” must be increased.

**Bad debts.** See chapter 10 of Pub. 535.

**Business start-up costs.** If your farming business began in 2011, you can elect to deduct up to \$5,000 of certain business start-up costs paid or incurred after October 22, 2004. The \$5,000 limit is reduced (but not below zero) by the amount by which your start-up costs exceed \$50,000. Your remaining start-up costs can be amortized over a 180-month period, beginning with the month the farming business began. For details, see chapters 4 and 7 of Pub. 225. For amortization that begins in 2011, you must complete and attach Form 4562.

**Business use of your home.** You may be able to deduct certain expenses for business use of your home, subject to limitations. Use the worksheet in Pub. 587 to figure your allowable deduction. Do not use Form 8829.

**Forestation and reforestation costs.** Reforestation costs are generally capital expenditures. However, for each qualified timber property, you can elect to expense up to \$10,000 (\$5,000 if married filing separately) of qualifying reforestation costs paid or incurred in 2011.

You can elect to amortize the remaining costs over 84 months. For amortization that begins in 2011, you must complete and attach Form 4562.

The amortization election does not apply to trusts, and the expense election does not apply to estates and trusts. For details on reforestation expenses, see chapters 4 and 7 of Pub. 225.

**Legal and professional fees.** You can include on this line fees charged by accountants and attorneys that are ordinary and necessary expenses directly related to your farming business. Include fees for tax advice and for the preparation of tax forms related to your farming business. Also include expenses incurred in resolving asserted tax deficiencies related to your farming business.

**Tools.** You can deduct the amount you paid for tools that have a short life or cost a small amount, such as shovels and rakes.

**Travel, meals, and entertainment.** In most cases, you can deduct expenses for farm business travel and 50% of your business meals

and entertainment. But there are exceptions and limitations. See the instructions for Schedule C (Form 1040), lines 24a and 24b.

**Preproductive period expenses.** If you had preproductive period expenses in 2011 that you are capitalizing, enter the total of these expenses in parentheses on line 32f (to indicate a negative amount) and enter “263A” in the space to the left of the total.

For details, see *Capitalizing costs of property*, earlier, and *Uniform Capitalization Rules* in chapter 6 of Pub. 225.

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## Line 33

If line 32f is a negative amount, subtract it from the total of lines 10 through 32e. Enter the result on line 33.

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## Line 34

If you have a loss, the amount of loss you can deduct this year may be limited. If you checked the “No” box on line E, also see the Instructions for Form 8582.

**Individuals.** Enter your net profit or deductible loss here and on Form 1040, line 18, and Schedule SE (Form 1040), line 1a. Complete lines 35 and 36 before entering the loss on line 34.

**Nonresident aliens.** Enter the net profit or deductible loss here and on Form 1040NR, line 19. You should also enter this amount on Schedule SE (Form 1040), line 1a if you are covered under the U.S. social security system due to an international social security agreement currently in effect. See the Schedule SE (Form 1040) instructions for information on international social security agreements.

**Partnerships.** Enter the net profit or deductible loss here and on Form 1065, line 5 (or Form 1065-B, line 7). Because the excess farm loss rules are applied at the partner level, the partnership will notify each partner on the Schedule K-1 if the partnership received one of the subsidies discussed later. Each partner should complete one of the excess farm loss worksheets to determine if there is an excess farm loss.

**Trusts and estates.** Enter the net profit or deductible loss here and on Form 1041, line 6. If you have a loss, complete lines 35 and 36 to determine if your loss is limited before entering the loss on line 34.

**Community income.** If you and your spouse had community income and are filing separate returns, see the instructions for Schedule SE (Form 1040) before figuring self-employment tax.

**Earned income credit.** If you have a net profit on line 34, this amount is earned income and may qualify you for the earned income credit if you meet certain conditions. See the instructions for Form 1040, lines 64a and 64b, for details.

**Conservation Reserve Program (CRP) payments.** If you received social security retirement or disability benefits in addition to CRP payments, the CRP payments are not subject to self-employment tax. You will deduct these payments from your net farm profit or loss on Schedule SE (Form 1040), line 1b. Do not make any adjustment on Schedule F (Form 1040).

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## Line 35

**Excess farm loss rules.** If you received certain subsidies in 2011, your farm loss may be reduced or eliminated. Check the “Yes” box if you received one of the subsidies discussed next. Otherwise, check the “No” box.

- Any direct or counter-cyclical payments under title I of the Food, Conservation, and Energy Act of 2008 (or any payment you elected instead of this payment).
- Any Commodity Credit Corporation loan.

Your excess farm loss for a year is the amount by which your total deductions from your farming business(es) exceed your total gross income or gain from your farming business(es), plus a threshold amount. The threshold amount is the greater of \$300,000 (\$150,000 if your filing status is married filing separately) or your total net profit or loss from farming business(es) for the last five years (2006-2010), including for each of those years any net gain from the sale of property used in your farming business(es). To determine if you have an excess farm loss, use one of the worksheets.

**Farming business defined.** For purposes of calculating your excess farm loss for the year, farming business has the meaning used in section 263A(e)(4) (generally the trade or business of farming, including operating a nursery or sod farm or raising or harvesting of trees bearing fruit, nuts, or other crops, or ornamental trees, such as evergreen trees, if they are cut within the first 6 years).

Farming business also includes the trade or business of processing a farm commodity even if it is not incidental to your farm. Additionally, farming business includes participating in a cooperative that processes a farm commodity. As a result, any activity reported on Schedule C (Form 1040) that involves processing a farm commodity must be included when determining your excess farm loss, and any losses from that Schedule C (Form 1040) activity may be limited by the excess farm loss rules. Farming business also includes any interest in a partnership or S corporation involved in a farming business.

The worksheets may be used to determine if you have an excess farm loss. These worksheets are provided for your recordkeeping purposes only, and which worksheet you should use will depend on the nature and extent of your farming business(es).

Any excess farm loss not allowed in 2011 may be carried forward and deducted on Schedule F (Form 1040) in the first year in which you do not have an excess farm loss. In determining your excess farm loss for a year in which you received a subsidy described above, do not take into account any deduction for losses from fire, storm, or other casualty, or from disease or drought involving any farming business. Also, you must determine your excess farm loss before calculating any limits due to passive activity on Form 8582.

If you checked “Yes” on line 35, use one of the worksheets in these instructions to determine if you have an excess farm loss that reduces the amount of loss you can deduct this year. If you have more than one farming business with an overall loss this year, allocate the excess farm loss amount on a *pro rata* basis among those farming businesses after determining if your loss is further limited by the at-risk rules, later.

**Excess farm loss worksheets.** You may complete one of these worksheets to determine if you have an excess farm loss in 2011. Do not attach these worksheets to your return; keep them for your records. You will need them next year when any excess farm loss may be deducted, as discussed above. Which worksheet you should use depends on your farming business, or businesses, as explained in *Farming business defined*, earlier.

- Use Worksheet 1 if your farming business(es) include only profit or loss reported on Schedule F (Form 1040), (including multiple copies of Schedule F (Form 1040)).
- Use Worksheet 2 if your farming businesses include Schedule F (Form 1040) and any Schedule C (Form 1040) activity of processing a farm commodity.
- Use Worksheet 3 if your farming businesses include Schedule F (Form 1040) and a Schedule E (Form 1040) interest in a partnership or S corporation involved in a farming business.
- Use Worksheet 4 if your farming businesses include Schedule F (Form 1040), Schedule C (Form 1040) activity of processing a farm commodity, a Schedule E (Form 1040) interest in a partnership or S corporation involved in a farming business, and farm rental income or loss reported on Form 4835.
- Use Worksheet 5 if your farming business is limited to only farm rental income or loss reported on Form 4835.

If you file multiple copies of Schedule F (Form 1040), Schedule C (Form 1040), or Schedule E (Form 1040) as part of your farming businesses, you must combine the income, deductions, and net gain/loss for purposes of determining whether you have an excess farm loss on the worksheets. If you sold any property used in your farming businesses, you must include any gain or loss on the sale of that property (reported on Form 4797, Sales of Business Property, or Schedule D (Form 1040), Capital Gains and Losses). Be sure to include the gain or loss attributable to property used in your farming business(es), as defined earlier in *Farming business defined*. Do not include gain or loss attributable to property used in nonfarming business(es) or nonbusiness property.

**Effect on other deductions.** Certain deductions, including the domestic production activities deduction under section 199 and the deduction for the employer-equivalent portion of self-employment tax, may need to be included when determining your excess farm losses if the deductions are attributable to your farming business, as defined earlier.

In particular, the deduction for the employer-equivalent portion of self-employment tax will not be attributable to your farming business on Schedule F (Form 1040) or your business of processing a farm commodity on Schedule C (Form 1040) if the combined amounts on those schedules produce a loss. But the deduction for the employer-equivalent portion of self-employment tax should be taken into account when the combined amounts on those schedules produce income (or the farm optional method on Schedule SE (Form 1040) is used) and there is a large loss on Schedule E (Form 1040) passed through from a partnership or S corporation.

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## Line 36

**At-risk rules.** In most cases, if you have a loss from a farming activity and amounts invested in the activity for which you are not at risk, you must complete Form 6198 to figure your allowable loss. The at-risk rules generally limit the amount of loss (including loss on the disposition of assets) you can claim to the amount you could actually lose in the activity.

Check box 36b if you have amounts invested in this activity for which you are not at risk, such as the following.

- Nonrecourse loans used to finance the activity, to acquire property used in the activity, or to acquire the activity that are not secured by your own property (other than property used in the activity). However, there is an exception for certain nonrecourse financing borrowed by you in connection with holding real property.
- Cash, property, or borrowed amounts used in the activity (or contributed to the activity, or used to acquire the activity) that are protected against loss by a guarantee, stop-loss agreement, or other similar arrangement (excluding casualty insurance and insurance against tort liability).
- Amounts borrowed for use in the activity from a person who has an interest in the activity, other than as a creditor, or who is related under section 465(b)(3)(C) to a person (other than you) having such an interest.

**Figuring your deductible loss.** Before determining your deductible loss, you must check box 36a or 36b to determine if your loss on line 34 is further limited by the at-risk rules. Follow the instructions below that apply to your box 36 activity.

If all your investment amounts are at risk in this activity, check box 36a. If you checked the “Yes” box on Schedule F (Form 1040), line E, enter your loss on line 34 and on Form 1040, line 18, and Schedule SE (Form 1040), line 1a. Nonresident aliens – enter the deductible loss on Form 1040NR, line 19 (and Schedule SE (Form 1040), line 1a if applicable – see *Nonresident aliens* under the line 34 instructions, earlier). Estates and trusts – enter the deductible loss on Form 1041, line 6.

But if you checked the “No” box on Schedule F (Form 1040), line E, you may need to complete Form 8582 to figure your allowable loss to enter on line 34. See the Instructions for Form 8582.

If some investment is not at risk, check box “b.” If you checked “Yes” on line 35, use one of the worksheets to determine if you have an excess farm loss that reduces the amount of loss you can deduct this year. If you have more than one farming business with an overall loss this year, allocate the excess farm loss amount on a *pro rata* basis among those farming businesses.

If you checked the “Yes” box on Schedule F (Form 1040), line E, first complete Form 6198 to determine the amount of your deductible loss and enter that amount on Form 1040, line 18, and Schedule SE (Form 1040), line 1a. Nonresident aliens – enter the deductible loss on Form 1040NR, line 19 (and Schedule SE (Form 1040), line 1a if applicable – see *Nonresident aliens* under the line 34 instructions, earlier). Estates and trusts – enter the deductible loss on Form 1041, line 6. Partnerships – do not complete Form 6198; enter your profit or loss on line 34 and on Form 1065, line 5 (or Form 1065-B, line 7).

But if you checked the “No” box on Schedule F (Form 1040), line E, see the Instructions for Form 8582 to determine your further loss limitation. If your at-risk amount is zero or less, enter -0- on line 34. Be sure to attach Form 6198 to your return.

If you checked “No” on line 35, complete Form 6198 to determine the amount of your deductible loss. If you checked the “Yes” box on Schedule F (Form 1040), line E, enter that amount on line 34 and on Form 1040, line 18, and Schedule SE (Form 1040), line 1a. Nonresident aliens – enter the deductible loss on Form 1040NR, line 19 (and Schedule SE (Form 1040), line 1a if applicable – see *Nonresident aliens* under the line 34 instructions, earlier). Estates and trusts – enter the deductible loss on Form 1041, line 6. Partnerships – do not complete Form 6198; enter your profit or loss on line 34 and on Form 1065, line 5 (or Form 1065-B, line 7).

But if you checked the “No” box on Schedule F (Form 1040), line E, see the Instructions for Form 8582 to determine your further loss limitation. If your at-risk amount is zero or less, enter -0- on line 34. Be sure to attach Form 6198 to your return.



*If you checked box 36b because some investment is not at risk and you do not attach Form 6198, the processing of your return may be delayed.*

Any loss from this activity not allowed for 2011 only because of the at-risk rules is treated as a deduction allocable to the activity in 2012.

For details, see Pub. 925 and the Instructions for Form 6198.

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## Part III. Farm Income—Accrual Method

You may be required to use the accrual accounting method. If you use the accrual method, report farm income when you earn it, not when you receive it. In most cases, you must include animals and crops in your inventory if you use this method. See Pub. 225 for exceptions, inventory methods, how to change methods of accounting, and rules that require certain costs to be capitalized or included in inventory. For information about accounting periods, see Pub. 538, Accounting Periods and Methods.

**Chapter 11 bankruptcy.** If you were a debtor in a chapter 11 bankruptcy case during 2011, see the instructions for Form 1040 and the instructions for Schedule SE (Form 1040).

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### Lines 37b Through 42b

See the instructions for lines 2a through 7b.

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### Line 43b

See the instructions for line 8b.

# Excess Farm Loss Worksheet 1—Schedule F (Form 1040) farming business only

Keep for Your Records



CAUTION: In determining if you have an excess farm loss, do not take into account any deductions for losses arising by reason of fire, storm, or other casualty, or by reason of disease or drought, involving your farming business.

1. Enter the amount from your 2011 Schedule(s) F (Form 1040), line 33. Is this amount less than \$300,000 (\$150,000 if married filing separately)? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 2 . . . . .	1.	_____
2. Subtract \$300,000 (\$150,000 if married filing separately) from line 1 . . . . .	2.	_____
3. Enter the amount from your 2011 Schedule(s) F (Form 1040), line 9 . . . . .	3.	_____
4. Is line 3 greater than or equal to line 2? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 5.		
5. Enter your net gain/loss from the sale of farming business property reported on Form 4797 . . . . .	5.	_____
6. Enter your net gain/loss from the sale of farming business property reported on Schedule D (Form 1040) . . . . .	6.	_____
7. Combine line 5 and line 6. If zero or less, enter -0- . . . . .	7.	_____
8. Add line 3 and line 7. Is this greater than or equal to line 2? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 9 . . . . .	8.	_____
9. Enter the amount from your 2010 Schedule(s) F (Form 1040), line 36 . . . . .	9.	_____
10. Enter your combined net gain/loss from the sale of farming business property reported on your 2010 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	10.	_____
11. Enter the amount from your 2009 Schedule(s) F (Form 1040), line 36 . . . . .	11.	_____
12. Enter your combined net gain/loss from the sale of farming business property reported on your 2009 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	12.	_____
13. Enter the amount from your 2008 Schedule(s) F (Form 1040), line 36 . . . . .	13.	_____
14. Enter your combined net gain/loss from the sale of farming business property reported on your 2008 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	14.	_____
15. Enter the amount from your 2007 Schedule(s) F (Form 1040), line 36 . . . . .	15.	_____
16. Enter your combined net gain/loss from the sale of farming business property reported on your 2007 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	16.	_____
17. Enter the amount from your 2006 Schedule(s) F (Form 1040), line 36 . . . . .	17.	_____
18. Enter your combined net gain/loss from the sale of farming business property reported on your 2006 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	18.	_____
19. Combine lines 9 through 18. If zero or less, enter -0- . . . . .	19.	_____
20. Enter the greater of line 19 or \$300,000 (\$150,000 if married filing separately) . . . . .	20.	_____
21. Add line 8 and line 20 . . . . .	21.	_____
22. <b>Excess farm loss.</b> Subtract line 1 from line 21. If zero or less, you have an excess farm loss that reduces the amount of loss you can deduct this year. If you have more than one farming business with an overall loss this year, allocate the excess farm loss amount on a <i>pro rata</i> basis among those farming businesses . . . . .	22.	_____

# Excess Farm Loss Worksheet 2—Schedule F (Form 1040) farming business(es) and Schedule C (Form 1040) activity of processing a farm commodity

Keep for Your Records



**CAUTION:** In determining if you have an excess farm loss, do not take into account any deductions for losses arising by reason of fire, storm, or other casualty, or by reason of disease or drought, involving your farming businesses.

1. Enter the amount from your 2011 Schedule(s) F (Form 1040), line 33 . . . . .	1.	_____	
2. Enter the total amount from your 2011 Schedule(s) C (Form 1040), line 28 and line 30 . . . . .	2.	_____	
3. Add lines 1 and 2. Is this amount less than \$300,000 (\$150,000 if married filing separately)? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 4 . . . . .	3.		_____
4. Subtract \$300,000 (\$150,000 if married filing separately) from line 3 . . . . .	4.		_____
5. Enter the amount from your 2011 Schedule(s) F (Form 1040), line 9 . . . . .	5.	_____	
6. Enter the amount from your 2011 Schedule(s) C (Form 1040), line 7 . . . . .	6.	_____	
7. Combine line 5 and line 6 . . . . .	7.		_____
8. Is line 7 greater than or equal to line 4? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 9.			
9. Enter your net gain/loss from the sale of farming business property reported on Form 4797 . . . . .	9.	_____	
10. Enter your net gain/loss from the sale of farming business property reported on Schedule D (Form 1040) . . . . .	10.	_____	
11. Combine line 9 and line 10. If zero or less, enter -0- . . . . .	11.		_____
12. Add line 7 and line 11. Is this greater than or equal to line 4? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 13 . . . . .	12.		_____
13. Enter the amount from your 2010 Schedule(s) F (Form 1040), line 36 . . . . .	13.	_____	
14. Enter the amount from your 2010 Schedule(s) C (Form 1040), line 31 . . . . .	14.	_____	
15. Enter your combined net gain/loss from the sale of farming business property reported on your 2010 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	15.	_____	
16. Enter the amount from your 2009 Schedule(s) F (Form 1040), line 36 . . . . .	16.	_____	
17. Enter the amount from your 2009 Schedule(s) C (Form 1040), line 31 . . . . .	17.	_____	
18. Enter your combined net gain/loss from the sale of farming business property reported on your 2009 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	18.	_____	
19. Enter the amount from your 2008 Schedule(s) F (Form 1040), line 36 . . . . .	19.	_____	
20. Enter the amount from your 2008 Schedule(s) C (Form 1040), line 31 . . . . .	20.	_____	

## Excess Farm Loss Worksheet 2 (Continued)

21. Enter your combined net gain/loss from the sale of farming business property reported on your 2008 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	21.	_____	
22. Enter the amount from your 2007 Schedule(s) F (Form 1040), line 36 . . . . .	22.	_____	
23. Enter the amount from your 2007 Schedule(s) C (Form 1040), line 31 . . . . .	23.	_____	
24. Enter your combined net gain/loss from the sale of farming business property reported on your 2007 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	24.	_____	
25. Enter the amount from your 2006 Schedule(s) F (Form 1040), line 36 . . . . .	25.	_____	
26. Enter the amount from your 2006 Schedule(s) C (Form 1040), line 31 . . . . .	26.	_____	
27. Enter your combined net gain/loss from the sale of farming business property reported on your 2006 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	27.	_____	
28. Combine lines 13 through 27. If zero or less, enter -0- . . . . .	28.	_____	
29. Enter the greater of line 28 or \$300,000 (\$150,000 if married filing separately) . . . . .	29.	_____	
30. Add lines 12 and 29 . . . . .	30.	_____	
31. <b>Excess farm loss.</b> Subtract line 3 from line 30. If zero or less, you have an excess farm loss that reduces the amount of loss you can deduct this year. If you have more than one farming business with an overall loss this year, allocate the excess farm loss amount on a <i>pro rata</i> basis among those farming businesses . . . . .	31.	_____	

**Excess Farm Loss Worksheet 3—Schedule F (Form 1040) farming business(es) and Schedule E (Form 1040) partnership or S corporation income or loss from farming business(es)**

Keep for Your Records



CAUTION: In determining if you have an excess farm loss, do not take into account any deductions for losses arising by reason of fire, storm, or other casualty, or by reason of disease or drought, involving your farming business(es).

1. Enter the amount from your 2011 Schedule(s) F (Form 1040), line 33 . . . . .	1.	_____	
2. Enter the amount from your 2011 Schedule(s) E (Form 1040), line 31 . . . . .	2.	_____	
3. Add lines 1 and 2. Is this amount less than \$300,000 (\$150,000 if married filing separately)? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 4 . . . . .			3.
4. Subtract \$300,000 (\$150,000 if married filing separately) from line 3 . . . . .			4.
5. Enter the amount from your 2011 Schedule(s) F (Form 1040), line 9 . . . . .	5.	_____	
6. Enter the amount from your 2011 Schedule(s) E (Form 1040), line 30 . . . . .	6.	_____	
7. Combine line 5 and line 6 . . . . .			7.
8. Is line 7 greater than or equal to line 4? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 9.			
9. Enter your net gain/loss from the sale of farming business property reported on Form 4797 . . . . .	9.	_____	
10. Enter your net gain/loss from the sale of farming business property reported on Schedule D (Form 1040) . . . . .	10.	_____	
11. Combine line 9 and line 10. If zero or less, enter -0- . . . . .			11.
12. Add line 7 and line 11. Is this greater than or equal to line 4? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 13 . . . . .			12.
13. Enter the amount from your 2010 Schedule(s) F (Form 1040), line 36 . . . . .	13.	_____	
14. Enter the amount from your 2010 Schedule(s) E (Form 1040), line 32 . . . . .	14.	_____	
15. Enter your combined net gain/loss from the sale of farming business property reported on your 2010 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .			15.
16. Enter the amount from your 2009 Schedule(s) F (Form 1040), line 36 . . . . .	16.	_____	
17. Enter the amount from your 2009 Schedule(s) E (Form 1040), line 32 . . . . .	17.	_____	
18. Enter your combined net gain/loss from the sale of farming business property reported on your 2009 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .			18.
19. Enter the amount from your 2008 Schedule(s) F (Form 1040), line 36 . . . . .	19.	_____	
20. Enter the amount from your 2008 Schedule(s) E (Form 1040), line 32 . . . . .	20.	_____	

### Excess Farm Loss Worksheet 3 (Continued)

21. Enter your combined net gain/loss from the sale of farming business property reported on your 2008 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	21.	_____
22. Enter the amount from your 2007 Schedule(s) F (Form 1040), line 36 . . . . .	22.	_____
23. Enter the amount from your 2007 Schedule(s) E (Form 1040), line 32 . . . . .	23.	_____
24. Enter your combined net gain/loss from the sale of farming business property reported on your 2007 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	24.	_____
25. Enter the amount from your 2006 Schedule(s) F (Form 1040), line 36 . . . . .	25.	_____
26. Enter the amount from your 2006 Schedule(s) E (Form 1040), line 32 . . . . .	26.	_____
27. Enter your combined net gain/loss from the sale of farming business property reported on your 2006 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	27.	_____
28. Combine lines 13 through 27. If zero or less, enter -0- . . . . .	28.	_____
29. Enter the greater of line 28 or \$300,000 (\$150,000 if married filing separately) . . . . .	29.	_____
30. Add lines 12 and 29 . . . . .	30.	_____
31. <b>Excess farm loss.</b> Subtract line 3 from line 30. If zero or less, you have an excess farm loss that reduces the amount of loss you can deduct this year. If you have more than one farming business with an overall loss this year, allocate the excess farm loss amount on a <i>pro rata</i> basis among those farming businesses . . . . .	31.	_____

**Excess Farm Loss Worksheet 4—Schedule F (Form 1040) farming business(es), Schedule C (Form 1040) activity of processing a farm commodity, Schedule E (Form 1040) partnership or S corporation income or loss from farming business(es), and Form 4835 rental income or loss**

Keep for Your Records



**CAUTION:** In determining if you have an excess farm loss, do not take into account any deductions for losses arising by reason of fire, storm, or other casualty, or by reason of disease or drought, involving your farming business(es).

- |  |     |       |
|--|-----|-------|
| 1. Enter the amount from your 2011 Schedule(s) F (Form 1040), line 33 . . . .  | 1.  | _____ |
| 2. Enter the total amount from your 2011 Schedule(s) C (Form 1040), line 28 and line 30, for activity of processing a farm commodity . . . . .   | 2.  | _____ |
| 3. Enter the amount from your 2011 Schedule(s) E (Form 1040), line 31, for interest in a partnership or S corporation involved in farming businesses . .   | 3.  | _____ |
| 4. Enter the amount from your 2011 Form 4835, line 31 . . . . .  | 4.  | _____ |
| 5. Add lines 1, 2, 3, and 4. Is this amount less than \$300,000 (\$150,000 if married filing separately)? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 6 . . . . .  | 5.  | _____ |
| 6. Subtract \$300,000 (\$150,000 if married filing separately) from line 5 . . . . .   | 6.  | _____ |
| 7. Enter the amount from your 2011 Schedule(s) F (Form 1040), line 9 . . . . .   | 7.  | _____ |
| 8. Enter the amount from your 2011 Schedule(s) C (Form 1040), line 7 . . . . .   | 8.  | _____ |
| 9. Enter the amount from your 2011 Schedule(s) E (Form 1040), line 30 . . . . .  | 9.  | _____ |
| 10. Enter the amount from your 2011 Form 4835, line 7 . . . . .  | 10. | _____ |
| 11. Combine lines 7, 8, 9, and 10 . . . . .  | 11. | _____ |
| 12. Is line 11 greater than or equal to line 6? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 13.  |     |       |
| 13. Enter your net gain/loss from the sale of farming business property reported on Form 4797 . . . . .  | 13. | _____ |
| 14. Enter your net gain/loss from the sale of farming business property reported on Schedule D (Form 1040) . . . . .   | 14. | _____ |
| 15. Combine line 13 and line 14. If zero or less, enter -0- . . . . .  | 15. | _____ |
| 16. Add lines 11 and 15. Is this greater than or equal to line 6? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 17 . . . . .   | 16. | _____ |
| <p>TIP: Lines 17 through 43 help you calculate the threshold amount discussed in the instructions. The threshold amount is the greater of \$300,000 (\$150,000 if married filing separately) or your total net profit or loss from farming businesses for the last five years (2006-2010), including for each of those years any net gain or loss from the sale of property used in your farming businesses.</p> |     |       |
| 17. Enter the amount from your 2010 Schedule(s) F (Form 1040), line 36 . . . .   | 17. | _____ |
| 18. Enter the amount from your 2010 Schedule(s) C (Form 1040), line 31 . . . .   | 18. | _____ |
| 19. Enter the amount from your 2010 Schedule(s) E (Form 1040), line 32 . . . .   | 19. | _____ |
| 20. Enter the amount from your 2010 Form 4835, line 32 . . . . .   | 20. | _____ |
| 21. Enter your combined net gain/loss from the sale of farming business property reported on your 2010 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .  | 21. | _____ |
| 22. Enter the amount from your 2009 Schedule(s) F (Form 1040), line 36 . . . .   | 22. | _____ |
| 23. Enter the amount from your 2009 Schedule(s) C (Form 1040), line 31 . . . .   | 23. | _____ |
| 24. Enter the amount from your 2009 Schedule(s) E (Form 1040), line 32 . . . .   | 24. | _____ |
| 25. Enter the amount from your 2009 Form 4835, line 32 . . . . .   | 25. | _____ |
| 26. Enter your combined net gain/loss from the sale of farming business property reported on your 2009 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .  | 26. | _____ |
| 27. Enter the amount from your 2008 Schedule(s) F (Form 1040), line 36 . . . .   | 27. | _____ |
| 28. Enter the amount from your 2008 Schedule(s) C (Form 1040), line 31 . . . .   | 28. | _____ |

(Continued on next page)

## Excess Farm Loss Worksheet 4 (Continued)

29.	Enter the amount from your 2008 Schedule(s) E (Form 1040), line 32 . . . .	29.	_____
30.	Enter the amount from your 2008 Form 4835, line 32 . . . . .	30.	_____
31.	Enter your combined net gain/loss from the sale of farming business property reported on your 2008 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	31.	_____
32.	Enter the amount from your 2007 Schedule(s) F (Form 1040), line 36 . . . .	32.	_____
33.	Enter the amount from your 2007 Schedule(s) C (Form 1040), line 31 . . . .	33.	_____
34.	Enter the amount from your 2007 Schedule(s) E (Form 1040), line 32 . . . .	34.	_____
35.	Enter the amount from your 2007 Form 4835, line 32 . . . . .	35.	_____
36.	Enter your combined net gain/loss from the sale of farming business property reported on your 2007 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	36.	_____
37.	Enter the amount from your 2006 Schedule(s) F (Form 1040), line 36 . . . .	37.	_____
38.	Enter the amount from your 2006 Schedule(s) C (Form 1040), line 31 . . . .	38.	_____
39.	Enter the amount from your 2006 Schedule(s) E (Form 1040), line 32 . . . .	39.	_____
40.	Enter the amount from your 2006 Form 4835, line 32 . . . . .	40.	_____
41.	Enter your combined net gain/loss from the sale of farming business property reported on your 2006 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	41.	_____
42.	Combine lines 17 through 41. If zero or less, enter -0- . . . . .	42.	_____
43.	Enter the greater of line 42 or \$300,000 (\$150,000 if married filing separately) . . . . .	43.	_____
44.	Add lines 16 and 43 . . . . .	44.	_____
45.	<b>Excess farm loss.</b> Subtract line 5 from line 44. If zero or less, you have an excess farm loss that reduces the amount of loss you can deduct this year. If you have more than one farming business with an overall loss this year, allocate the excess farm loss amount on a <i>pro rata</i> basis among those farming businesses . . . . .	45.	_____

# Excess Farm Loss Worksheet 5—Form 4835 for farm rental income or loss from farming business

Keep for Your Records



CAUTION: In determining if you have an excess farm loss, do not take into account any deductions for losses arising by reason of fire, storm, or other casualty, or by reason of disease or drought, involving your farming business.

1. Enter the amount from your 2011 Form 4835, line 31. Is this amount less than \$300,000 (\$150,000 if married filing separately)? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 2 . . . .	1.	_____	
2. Subtract \$300,000 (\$150,000 if married filing separately) from line 1 . . . .	2.	_____	
3. Enter the amount from your 2011 Form 4835, line 7 . . . . .	3.	_____	
4. Is line 3 greater than or equal to line 2? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 5.			
5. Enter your net gain/loss from the sale of farming business property reported on Form 4797 . . . . .	5.	_____	
6. Enter your net gain/loss from the sale of farming business property reported on Schedule D (Form 1040) . . . . .	6.	_____	
7. Combine line 5 and line 6. If zero or less, enter -0- . . . . .			7. _____
8. Add line 3 and line 7. Is this greater than or equal to line 2? If yes, stop here. You do not have an excess farm loss in 2011. If no, continue to line 9 . . . . .			8. _____
9. Enter the amount from your 2010 Form 4835, line 32 . . . . .	9.	_____	
10. Enter your combined net gain/loss from the sale of farming business property reported on your 2010 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	10.	_____	
11. Enter the amount from your 2009 Form 4835, line 32 . . . . .	11.	_____	
12. Enter your combined net gain/loss from the sale of farming business property reported on your 2009 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	12.	_____	
13. Enter the amount from your 2008 Form 4835, line 32 . . . . .	13.	_____	
14. Enter your combined net gain/loss from the sale of farming business property reported on your 2008 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	14.	_____	
15. Enter the amount from your 2007 Form 4835, line 32 . . . . .	15.	_____	
16. Enter your combined net gain/loss from the sale of farming business property reported on your 2007 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	16.	_____	
17. Enter the amount from your 2006 Form 4835, line 32 . . . . .	17.	_____	
18. Enter your combined net gain/loss from the sale of farming business property reported on your 2006 Form 4797 and Schedule D (Form 1040). If zero or less, enter -0- . . . . .	18.	_____	
19. Combine lines 9 through 18. If zero or less, enter -0- . . . . .			19. _____
20. Enter the greater of line 19 or \$300,000 (\$150,000 if married filing separately) . . . . .			20. _____
21. Add lines 8 and 20 . . . . .			21. _____
22. <b>Excess farm loss.</b> Subtract line 1 from line 21. If zero or less, you have an excess farm loss that reduces the amount of loss you can deduct this year. If you have more than one farming business with an overall loss this year, allocate the excess farm loss amount on a <i>pro rata</i> basis among those farming businesses . . . . .			22. _____



# 2011 Instructions for Schedule J

## Income Averaging for Farmers and Fishermen

Use Schedule J (Form 1040) to elect to figure your 2011 income tax by averaging, over the previous 3 years (base years), all or part of your 2011 taxable income from your trade or business of farming or fishing. This election may give you a lower tax if your 2011 income from farming or fishing is high and your taxable income for one or more of the 3 prior years was low.

In order to qualify for this election, you are not required to have been in the business of farming or fishing during any of the base years.

You may elect to average farming or fishing income even if your filing status was not the same in the election year and the base years.

This election does not apply when figuring your alternative minimum tax on Form 6251. Also, you do not have to recompute, because of this election, the tax liability of any minor child who was required to use your tax rates in the prior years.

### What's New

The IRS has created a page on [IRS.gov](http://IRS.gov) for information about Form 1040 and its instructions, at [www.irs.gov/form1040](http://www.irs.gov/form1040). Information about any future developments affecting Form 1040 (such as legislation enacted after we release it) will be posted on that page.

### General Instructions

#### Prior Year Tax Returns

You may need copies of your original or amended income tax returns for 2008, 2009, and 2010 to figure your tax on Schedule J.

If you need copies of your tax returns, use Form 4506. There is a \$57 fee (subject to change) for each return requested. If your main home, principal place of business, or tax records are located in a federally declared disaster area, this fee will be waived. If you want a free transcript of your tax return or account, use Form 4506-T. See your Form 1040 instructions to find out how to get these forms.

Keep a copy of your 2011 income tax return to use for income averaging in 2012, 2013, or 2014.

#### Definitions

**Farming business.** A farming business is the trade or business of cultivating land or raising or harvesting any agricultural or horticultural commodity. This includes:

1. Operating a nursery or sod farm;
2. Raising or harvesting of trees bearing fruits, nuts, or other crops;
3. Raising ornamental trees (but not evergreen trees that are more than 6 years old when severed from the roots);
4. Raising, shearing, feeding, caring for, training, and managing animals; and

5. Leasing land to a tenant engaged in a farming business, but only if the lease payments are (a) based on a share of the tenant's production (not a fixed amount), and (b) determined under a written agreement entered into before the tenant begins significant activities on the land.

A farming business does not include:

- Contract harvesting of an agricultural or horticultural commodity grown or raised by someone else, or
- Merely buying or reselling plants or animals grown or raised by someone else.

**Fishing business.** A fishing business is the trade or business of fishing in which the fish harvested, either in whole or in part, are intended to enter commerce or enter commerce through sale, barter, or trade. This includes:

1. The catching, taking, or harvesting of fish;
2. The attempted catching, taking, or harvesting of fish;
3. Any other activity which can reasonably be expected to result in the catching, taking, or harvesting of fish;
4. Any operations at sea in support of, or in preparation for, any activity described in (1) through (3) above;
5. Leasing a fishing vessel, but only if the lease payments are (a) based on a share of the catch (or a share of the proceeds from the sale of the catch) from the lessee's use of the vessel in a fishing business (not a fixed payment), and (b) determined under a written lease entered into before the lessee begins any significant fishing activities resulting in the catch; and
6. Compensation as a crew member on a vessel engaged in a fishing business, but

only if the compensation is based on a share of the catch (or a share of the proceeds from the sale of the catch).

The word fish means finfish, mollusks, crustaceans, and all other forms of marine animal and plant life other than marine mammals and birds.

A fishing business does not include any scientific research activity conducted by a scientific research vessel.

**Settlement from Exxon Valdez litigation.** You will be treated as engaged in a fishing business with respect to any qualified settlement income you received if either of the following applies.

1. You were a plaintiff in the civil action *In re Exxon Valdez*, No. 89-095-CV (HRH) (Consolidated) (D. Alaska); or
2. All of the following apply.
  - a. You were a beneficiary of a plaintiff described in (1) above,
  - b. You acquired the right to receive qualified settlement income from that plaintiff, and
  - c. You were the spouse or an immediate relative of that plaintiff.

Qualified settlement income is any taxable interest and punitive damage awards you received (whether as lump sums or periodic payments) in connection with the Exxon Valdez civil action described above. Qualified settlement income includes all such awards, whether received before or after the judgment and whether related to a settlement or a judgment.

#### Additional Information

See Pub. 225 and Regulations section 1.1301-1 for more information.

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## Specific Instructions

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### Line 2a

#### Elected Farm Income

To figure your elected farm income, first figure your taxable income from farming or fishing. This includes all income, gains, losses, and deductions attributable to your farming or fishing business. If you conduct both farming and fishing businesses, you must figure your elected farm income by combining income, gains, losses, and deductions attributable to your farming and fishing businesses.

Elected farm income also includes any gain or loss from the sale or other disposition of property regularly used in your farming or fishing business for a substantial period of time. However, if such gain or loss is realized after cessation of the farming or fishing business, the gain or loss is treated as attributable to a farming or fishing business only if the property is sold within a reasonable time after cessation of the farming or fishing business. A sale or other disposition within 1 year of the cessation is considered to be within a reasonable time.

Elected farm income does not include income, gain, or loss from the sale or other disposition of land or from the sale of development rights, grazing rights, and other similar rights.

You should find your income, gains, losses, and deductions from farming or fishing reported on different tax forms, such as:

- 2011 Form 1040, line 7, or Form 1040NR, line 8, income from wages and other compensation you received (a) as a shareholder in an S corporation engaged in a farming or fishing business or (b) as a crew member on a vessel engaged in a fishing business (but see *Fishing business*, earlier);

- 2011 Form 1040, line 21, or Form 1040NR, line 21, income from Exxon Valdez litigation;

- 2011 Form 1040, line 27, or Form 1040NR, line 27, deductible part of self-employment tax, but only to the extent that deduction is attributable to your farming or fishing business;

- 2011 Form 1040, line 43, or Form 1040NR, line 41, CCF reduction, except to the extent that any earnings (without regard to the carryback of any net operating or net capital loss) from the operation of agreement vessels in the fisheries of the United States or in the foreign or domestic commerce of the United States are not attributable to your fishing business;

- Schedule C or C-EZ;
- Schedule D;
- Schedule E, Part II;

- Schedule F;
- Form 4797;
- Form 4835;
- Form 8903, domestic production activities deduction, but only to the extent that deduction is attributable to your farming or fishing business; and
- Form 8949.

Your elected farm income is the amount of your taxable income from farming or fishing that you elect to include on line 2a. However, you do not have to include all of your taxable income from farming or fishing on line 2a. It may be to your advantage to include less than the entire amount, depending on how the amount you include on line 2a affects your tax bracket for the current and prior 3 tax years.

If you received certain subsidies in 2011, your elected farm income cannot include excess farm losses. See the Instructions for Schedule F (Form 1040).

Your elected farm income cannot exceed your taxable income.

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### Lines 2b and 2c

Complete lines 2b and 2c if the amount of your elected farm income on line 2a includes net capital gain. Net capital gain is the excess, if any, of net long-term capital gain over net short-term capital loss.

**Line 2b.** Enter on line 2b the portion of your elected farm income on line 2a treated as a net capital gain. The amount you enter on line 2b cannot exceed the **smaller** of your total net capital gain or the net capital gain attributable to your farming or fishing business.

**Line 2c.** Enter on line 2c the **smaller** of line 2b or the unrecaptured section 1250 gain attributable to your farming or fishing business, if any.

---

### Line 4

Figure the tax on the amount on line 3 using:

- The 2011 Tax Table, Tax Computation Worksheet, or Qualified Dividends and Capital Gain Tax Worksheet from the 2011 Instructions for Form 1040 or Form 1040NR;

- The 2011 Foreign Earned Income Tax Worksheet from the 2011 Instructions for Form 1040; or

- The Schedule D Tax Worksheet in the 2011 Instructions for Schedule D.

Enter the tax on line 4.

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### Line 5

If you used Schedule J to figure your tax for:

- 2010 (that is, you entered the amount from the 2010 Schedule J, line 23, on line 44 of your 2010 Form 1040, on line 42 of your 2010 Form 1040NR, or on Form 1040X for 2010), enter on line 5 the amount from your 2010 Schedule J, line 11.
- 2009 but not 2010, enter on line 5 the amount from your 2009 Schedule J, line 15.
- 2008 but not 2009 or 2010, enter on line 5 the amount from your 2008 Schedule J, line 3.

If you figured your tax for 2008, 2009, and 2010 without using Schedule J, enter on line 5 the taxable income from your 2008 tax return (or as previously adjusted by the IRS, or corrected on an amended return). But if that amount is zero or less, complete the 2008 Taxable Income Worksheet to figure the amount to enter on line 5.

If you did not file a tax return for 2008, use the amount you would have reported as your taxable income had you been required to file a tax return. Be sure to keep all your records for 2008 for at least 3 years after April 17, 2012 (or the date you file your 2011 tax return, if later).

#### Instructions for 2008 Taxable Income Worksheet

**Line 2.** Any net capital loss deduction on your 2008 Schedule D, line 21, is not allowed for income averaging purposes to the extent it did not reduce your capital loss carryover to 2009. This could happen if the taxable income before subtracting exemptions—shown on your 2008 Form 1040, line 41, or your 2008 Form 1040NR, line 38 (or as previously adjusted)—was less than zero. Enter on line 2 the amount by which your 2008 capital loss carryover to 2009 (the sum of your short- and long-term capital loss carryovers) exceeds the excess of the loss on your 2008 Schedule D, line 16, over the loss on your 2008 Schedule D, line 21. If you had any Net Operating Loss (NOL) carrybacks to 2008, be sure you refigured your 2008 capital loss carryover to 2009.

**Line 3.** If you had an NOL for 2008, enter the amount of that NOL from line 25 of the 2008 Form 1045, Schedule A, you filed with Form 1045 or Form 1040X. If you did not have an NOL for 2008, enter the portion, if any, of the NOL carryovers and carrybacks to 2008 that were not used in 2008 and were carried to years after 2008.

**Example.** John Farmington, who is single, did not use income averaging for 2008, 2009, or 2010. For 2011, John has \$18,000 of elected farm income on Schedule J, line 2a. The taxable income before subtracting exemptions on his 2008 Form 1040, line 41, is \$4,350. A deduction for exemptions of \$3,500 is shown on line 42, and line 43, taxable income, is \$850. However, John had a \$21,200 NOL for 2009, \$9,000 of which was remaining to carry to 2008 after the NOL was carried back to 2007. To

complete line 1 of the 2008 Taxable Income Worksheet, John combines the \$9,000 NOL deduction with the \$850 from his 2008 Form 1040, line 43. The result is a negative \$8,150, John's 2008 taxable income, which he enters as a positive amount on line 1 of the 2008 Taxable Income Worksheet.

When John filed his 2008 tax return, he had a \$3,000 net capital loss deduction on Schedule D, line 21 (which was also entered on Form 1040, line 13), a \$7,000 loss on Schedule D, line 16, and a \$4,000 capital loss carryover to 2009. However, when

John carried back the 2009 NOL (\$9,000 of which was carried to 2008), he refigured his 2008 capital loss carryover to 2009 as \$7,000. John adds the \$3,000 from Schedule D, line 21, and the \$7,000 carryover. He subtracts from the \$10,000 result the \$7,000 loss on his Schedule D, line 16, and enters \$3,000 on line 2 of the worksheet.

John had \$850 of taxable income in 2008 that reduced the 2009 NOL carryback. The \$3,500 exemption deduction and \$3,000 net capital loss deduction also reduced the amount of the 2009 NOL carryback.

As a result, only \$1,650 was available to carry to 2010 and later years, as shown on line 10 of his 2009 Form 1045, Schedule B. John enters the \$1,650 on line 3 of the worksheet, and \$4,650 (\$1,650 plus the \$3,000 line 2 amount) on line 4. He then subtracts the \$4,650 from the \$8,150 on line 1 and enters the result, \$3,500, on line 5 of the worksheet. He enters a negative \$3,500 on Schedule J, line 5. He combines that amount with the \$6,000 on Schedule J, line 6, and enters \$2,500 on Schedule J, line 7.

## 2008 Taxable Income Worksheet—Line 5

Keep for Your Records



Complete this worksheet if you **did not** use Schedule J to figure your tax for 2009 and 2010 **and** your 2008 taxable income was zero or less. See the instructions above before completing this worksheet for line 5.

- |   |          |
|---|----------|
| 1. Figure the taxable income from your 2008 tax return (or as previously adjusted) without limiting it to zero. If you had an NOL for 2008, <b>do not</b> include any NOL carryovers or carrybacks to 2008. Enter the result as a positive amount . . . . . | 1. _____ |
| 2. If there is a loss on your 2008 Schedule D, line 21, add that loss (as a positive amount) and your 2008 capital loss carryover to 2009. Subtract from that sum the amount of the loss on your 2008 Schedule D, line 16, and enter the result . . . . .   | 2. _____ |
| 3. If you had an NOL for 2008, enter it as a positive amount. Otherwise, enter as a positive amount the portion, if any, of the NOL carryovers and carrybacks to 2008 that were not used in 2008 and were carried to years after 2008 . . . . .             | 3. _____ |
| 4. Add lines 2 and 3 . . . . .  | 4. _____ |
| 5. Subtract line 4 from line 1. Enter the result as a <b>negative</b> amount on Schedule J, line 5 . . . . .  | 5. _____ |

## Line 8

If line 7 is zero, enter -0- on line 8. Otherwise, figure the tax on the amount on line 7 using:

- The 2008 Tax Rate Schedules below,
- The 2008 Qualified Dividends and Capital Gain Tax Worksheet, later,
- The 2008 Schedule D Tax Worksheet in the 2008 Schedule D instructions (but use the 2008 Tax Rate Schedules below

when figuring the tax on lines 33 and 35 of the Schedule D Tax Worksheet), or

- The 2008 Foreign Earned Income Tax Worksheet, later.

If your elected farm income includes net capital gain, you must use the 2008 Schedule D Tax Worksheet to figure the tax on the amount on line 7. However, if you filed Form 2555 or 2555-EZ for 2008, you must first complete the 2008 Foreign Earned Income Tax Worksheet, and then use the

2008 Schedule D Tax Worksheet to figure the tax on the amount on line 3 of that worksheet.

When completing the Schedule D Tax Worksheet, you must allocate 1/3 of the amount on line 2b (and 1/3 of the amount on line 2c, if any) to 2008. If for 2008 you had a capital loss that resulted in a capital loss carryover to 2009, do not reduce the elected farm income allocated to 2008 by any part of the carryover.

## 2008 Tax Rate Schedules—Line 8

<b>Schedule X</b> —Use if your <b>2008</b> filing status was <b>Single</b> or you checked filing status box 1 or 2 on Form 1040NR					<b>Schedule Y-2</b> —Use if your <b>2008</b> filing status was <b>Married filing separately</b> or you checked filing status box 3, 4, or 5 on Form 1040NR				
If Schedule J, line 7, is: Over—	<i>But not over—</i>	Enter on Schedule J, line 8	<i>of the amount over—</i>		If Schedule J, line 7, is: Over—	<i>But not over—</i>	Enter on Schedule J, line 8	<i>of the amount over—</i>	
\$0	\$8,025	.....	<b>10%</b>	<b>\$0</b>	\$0	\$8,025	.....	<b>10%</b>	<b>\$0</b>
8,025	32,550	<b>\$802.50 +</b>	<b>15%</b>	<b>8,025</b>	8,025	32,550	<b>\$802.50 +</b>	<b>15%</b>	<b>8,025</b>
32,550	78,850	<b>4,481.25 +</b>	<b>25%</b>	<b>32,550</b>	32,550	65,725	<b>4,481.25 +</b>	<b>25%</b>	<b>32,550</b>
78,850	164,550	<b>16,056.25 +</b>	<b>28%</b>	<b>78,850</b>	65,725	100,150	<b>12,775.00 +</b>	<b>28%</b>	<b>65,725</b>
164,550	357,700	<b>40,052.25 +</b>	<b>33%</b>	<b>164,550</b>	100,150	178,850	<b>22,414.00 +</b>	<b>33%</b>	<b>100,150</b>
357,700	.....	<b>103,791.75 +</b>	<b>35%</b>	<b>357,700</b>	178,850	.....	<b>48,385.00 +</b>	<b>35%</b>	<b>178,850</b>
<b>Schedule Y-1</b> —Use if your <b>2008</b> filing status was <b>Married filing jointly</b> or <b>Qualifying widow(er)</b> or you checked filing status box 6 on Form 1040NR					<b>Schedule Z</b> —Use if your <b>2008</b> filing status was <b>Head of household</b>				
If Schedule J, line 7, is: Over—	<i>But not over—</i>	Enter on Schedule J, line 8	<i>of the amount over—</i>		If Schedule J, line 7, is: Over—	<i>But not over—</i>	Enter on Schedule J, line 8	<i>of the amount over—</i>	
\$0	\$16,050	.....	<b>10%</b>	<b>\$0</b>	\$0	\$11,450	.....	<b>10%</b>	<b>\$0</b>
16,050	65,100	<b>\$1,605.00 +</b>	<b>15%</b>	<b>16,050</b>	11,450	43,650	<b>\$1,145.00 +</b>	<b>15%</b>	<b>11,450</b>
65,100	131,450	<b>8,962.50 +</b>	<b>25%</b>	<b>65,100</b>	43,650	112,650	<b>5,975.00 +</b>	<b>25%</b>	<b>43,650</b>
131,450	200,300	<b>25,550.00 +</b>	<b>28%</b>	<b>131,450</b>	112,650	182,400	<b>23,225.00 +</b>	<b>28%</b>	<b>112,650</b>
200,300	357,700	<b>44,828.00 +</b>	<b>33%</b>	<b>200,300</b>	182,400	357,700	<b>42,755.00 +</b>	<b>33%</b>	<b>182,400</b>
357,700	.....	<b>96,770.00 +</b>	<b>35%</b>	<b>357,700</b>	357,700	.....	<b>100,604.00 +</b>	<b>35%</b>	<b>357,700</b>





Use this worksheet if you claimed the foreign earned income exclusion or housing exclusion on your 2008 Form 1040 using Form 2555 or 2555-EZ. However, if Schedule J, line 7, is zero or less do not complete this worksheet.

1. Enter the amount from your 2011 Schedule J, line 7 . . . . .	1.	_____
2. Enter the amount from your (and your spouse's, if filing jointly) 2008 Form 2555, lines 45 and 50, or Form 2555-EZ, line 18 . . . . .	2.	_____
3. Add lines 1 and 2 . . . . .	3.	_____
4. <b>Tax on the amount on line 3.</b> Use the 2008 Tax Rate Schedules, the 2008 Qualified Dividends and Capital Gain Tax Worksheet,* or the 2008 Schedule D Tax Worksheet in the 2008 Schedule D instructions,* whichever applies. . . . .	4.	_____
5. <b>Tax on the amount on line 2.</b> Use the 2008 Tax Rate Schedules. . . . .	5.	_____
6. Subtract line 5 from line 4. Enter the result. If zero or less, enter -0-. Also include this amount on your 2011 Schedule J, line 8 . . . . .	6.	_____

*\*Enter the amount from line 3 above on line 1 of the 2008 Qualified Dividends and Capital Gain Tax Worksheet or the 2008 Schedule D Tax Worksheet if you use either of those worksheets to figure the tax on line 4 above. Complete the rest of that worksheet through line 6 (line 10 if you use the Schedule D Tax Worksheet). Next, you must determine if you had a capital gain excess. To find out if you had a capital gain excess, subtract the amount from your 2011 Schedule J, line 7, from line 6 of your 2008 Qualified Dividends and Capital Gain Tax Worksheet (line 10 of your 2008 Schedule D Tax Worksheet). If the result is more than zero, that amount is your capital gain excess.*

*If you did not have a capital gain excess, complete the rest of either of those worksheets according to the worksheet's instructions. Then complete lines 5 and 6 above.*

*If you had a capital gain excess, complete a second 2008 Qualified Dividends and Capital Gain Tax Worksheet or 2008 Schedule D Tax Worksheet (whichever applies) as instructed above but in its entirety and with the following additional modifications. Then complete lines 5 and 6 above. These modifications are to be made only for purposes of filling out the 2008 Foreign Earned Income Tax Worksheet above.*

1. Reduce (but not below zero) the amount you would otherwise enter on line 3 of your 2008 Qualified Dividends and Capital Gain Tax Worksheet or line 9 of your 2008 Schedule D Tax Worksheet by your capital gain excess.
2. Reduce (but not below zero) the amount you would otherwise enter on your 2008 Form 1040, line 9b, by any of your capital gain excess not used in (1) above.
3. Reduce (but not below zero) the amount on your 2008 Schedule D (Form 1040), line 18, by your capital gain excess.
4. Include your capital gain excess as a loss on line 16 of your 2008 Unrecaptured Section 1250 Gain Worksheet in the 2008 Instructions for Schedule D (Form 1040).

## Line 9

If you used Schedule J to figure your tax for:

- 2010 (that is, you entered the amount from the 2010 Schedule J, line 23, on line 44 of your 2010 Form 1040, on line 42 of 2010 Form 1040NR, or on Form 1040X for 2010), enter on line 9 the amount from your 2010 Schedule J, line 15.

- 2009 but not 2010, enter on line 9 the amount from your 2009 Schedule J, line 3.

If you figured your tax for both 2009 and 2010 without using Schedule J, enter on line 9 the taxable income from your 2009 tax return (or as previously adjusted by the IRS or corrected on an amended return). But if that amount is zero or less, complete the worksheet below to figure the amount to enter on line 9.

If you did not file a tax return for 2009, use the amount you would have reported as your taxable income had you been required to file a tax return. Be sure to keep all your records for 2009 until at least 3 years after April 17, 2012 (or the date you file your 2011 tax return, if later).

### Instructions for 2009 Taxable Income Worksheet

**Line 2.** Any net capital loss deduction on your 2009 Schedule D, line 21, is not allowed for income averaging purposes to the extent it did not reduce your capital loss carryover to 2010. This could happen if the

taxable income before subtracting exemptions—shown on your 2009 Form 1040, line 41, or your 2009 Form 1040NR, line 38 (or as previously adjusted)—was less than zero. Enter on line 2 the amount by which your 2009 capital loss carryover to 2010 (the sum of your short- and long-term capital loss carryovers) exceeds the excess of the loss on your 2009 Schedule D, line 16, over the loss on your 2009 Schedule D, line 21. If you had any NOL carrybacks to 2009, be sure you refigured your 2009 capital loss carryover to 2010.

**Line 3.** If you had an NOL for 2009, enter the amount of that NOL from line 25 of the 2009 Form 1045, Schedule A, you filed with Form 1045 or Form 1040X. If you did not have an NOL for 2009, enter the portion, if any, of the NOL carryovers and carrybacks to 2009 that were not used in 2009 and were carried to years after 2009.

**Example.** John Farmington did not use income averaging for 2008, 2009, or 2010. The taxable income before subtracting exemptions on his 2009 Form 1040, line 41, is a negative \$29,900. A deduction for exemptions of \$3,650 is shown on line 42, and line 43, taxable income, is limited to zero. John subtracts from the \$29,900 loss the \$3,650 deduction for exemptions. The result is a negative \$33,550. John's 2009 taxable income, which he enters as a positive amount on line 1 of the 2009 Taxable Income Worksheet.

When John filed his 2009 tax return, he had a \$3,000 net capital loss deduction on Schedule D, line 21 (which was also entered on Form 1040, line 13), and a \$7,000 loss on Schedule D, line 16 (as adjusted). He also had a \$7,000 capital loss carryover to 2010. John adds the \$3,000 from Schedule D, line 21, and the \$7,000 carryover. He subtracts from the \$10,000 result the \$7,000 loss on his Schedule D, line 16, and enters \$3,000 on line 2 of the worksheet.

John enters \$21,200 on line 3 of the worksheet, the 2009 NOL from his 2009 Form 1045, Schedule A, line 25. Of the \$33,550 negative taxable income, the \$3,650 deduction for exemptions, the \$3,000 capital loss deduction, and his \$5,700 standard deduction were not allowed in figuring the NOL. John had a \$21,200 loss on his 2009 Schedule F, the only other item on his 2009 tax return.

John enters \$24,200 (the \$3,000 line 2 amount plus the \$21,200 line 3 amount) on line 4 and \$9,350 (the \$33,550 line 1 amount minus the \$24,200 line 4 amount) on line 5. He enters \$9,350 as a negative amount on Schedule J, line 9. He enters \$6,000 on Schedule J, line 10, and a negative \$3,350 on Schedule J, line 11. If he uses Schedule J to figure his tax for 2012, he will enter the negative \$3,350 amount on his 2012 Schedule J as his 2009 taxable income for income averaging purposes.

## 2009 Taxable Income Worksheet—Line 9

Keep for Your Records



Complete this worksheet if you **did not** use Schedule J to figure your tax for 2010 and your 2009 taxable income was zero or less. See the instructions above before completing this worksheet.

- |   |    |       |
|---|----|-------|
| 1. Figure the taxable income from your 2009 tax return (or as previously adjusted) without limiting it to zero. If you had an NOL for 2009, <b>do not</b> include any NOL carryovers or carrybacks to 2009. Enter the result as a positive amount . . . . . | 1. | _____ |
| 2. If there is a loss on your 2009 Schedule D, line 21, add that loss (as a positive amount) and your 2009 capital loss carryover to 2010. Subtract from that sum the amount of the loss on your 2009 Schedule D, line 16, and enter the result . . . . .   | 2. | _____ |
| 3. If you had an NOL for 2009, enter it as a positive amount. Otherwise, enter as a positive amount the portion, if any, of the NOL carryovers and carrybacks to 2009 that were not used in 2009 and were carried to years after 2009 . . . . .             | 3. | _____ |
| 4. Add lines 2 and 3 . . . . .  | 4. | _____ |
| 5. Subtract line 4 from line 1. Enter the result as a <b>negative</b> amount on Schedule J, line 9 . . . . .  | 5. | _____ |

## Line 12

If line 11 is zero or less, enter -0- on line 12. Otherwise, figure the tax on the amount on line 11 using:

- The 2009 Tax Rate Schedules below,
- The 2009 Qualified Dividends and Capital Gain Tax Worksheet, later,
- The 2009 Schedule D Tax Worksheet in the 2009 Schedule D instructions (but use the 2009 Tax Rate Schedules below when figuring the tax on the Schedule D Tax Worksheet, lines 33 and 35), or

- The 2009 Foreign Earned Income Tax Worksheet, later.

If your elected farm income includes net capital gain, you must use the 2009 Schedule D Tax Worksheet to figure the tax on the amount on line 11. However, if you filed Form 2555 or 2555-EZ for 2009, you must first complete the 2009 Foreign Earned Income Tax Worksheet, and then use the 2009 Schedule D Tax Worksheet to figure the tax on the amount on line 3 of that worksheet.

When completing the Schedule D Tax Worksheet, you must allocate 1/3 of the amount on line 2b (and 1/3 of the amount on line 2c, if any) to 2009. If for 2009 you had a capital loss that resulted in a capital loss carryover to 2010, do not reduce the elected farm income allocated to 2009 by any part of the carryover.



## 2009 Tax Rate Schedules—Line 12

Schedule X—Use if your 2009 filing status was <b>Single</b> or you checked filing status box 1 or 2 on Form 1040NR					Schedule Y-2—Use if your 2009 filing status was <b>Married filing separately</b> or you checked filing status box 3, 4, or 5 on Form 1040NR				
If Schedule J, line 11, is: <i>Over—</i>	<i>But not over—</i>	Enter on Schedule J, line 12	<i>of the amount over—</i>		If Schedule J, line 11, is: <i>Over—</i>	<i>But not over—</i>	Enter on Schedule J, line 12	<i>of the amount over—</i>	
\$0	\$8,350	.....	<b>10%</b>	<b>\$0</b>	\$0	\$8,350	.....	<b>10%</b>	<b>\$0</b>
8,350	33,950	<b>\$835.00 +</b>	<b>15%</b>	<b>8,350</b>	8,350	33,950	<b>\$835.00 +</b>	<b>15%</b>	<b>8,350</b>
33,950	82,250	<b>4,675.00 +</b>	<b>25%</b>	<b>33,950</b>	33,950	68,525	<b>4,675.00 +</b>	<b>25%</b>	<b>33,950</b>
82,250	171,550	<b>16,750.00 +</b>	<b>28%</b>	<b>82,250</b>	68,525	104,425	<b>13,318.75 +</b>	<b>28%</b>	<b>68,525</b>
171,550	372,950	<b>41,754.00 +</b>	<b>33%</b>	<b>171,550</b>	104,425	186,475	<b>23,370.75 +</b>	<b>33%</b>	<b>104,425</b>
372,950	.....	<b>108,216.00 +</b>	<b>35%</b>	<b>372,950</b>	186,475	.....	<b>50,447.25 +</b>	<b>35%</b>	<b>186,475</b>
<b>Schedule Y-1—Use if your 2009 filing status was <b>Married filing jointly</b> or <b>Qualifying widow(er)</b> or you checked filing status box 6 on Form 1040NR</b>					<b>Schedule Z—Use if your 2009 filing status was <b>Head of household</b></b>				
If Schedule J, line 11, is: <i>Over—</i>	<i>But not over—</i>	Enter on Schedule J, line 12	<i>of the amount over—</i>		If Schedule J, line 11, is: <i>Over—</i>	<i>But not over—</i>	Enter on Schedule J, line 12	<i>of the amount over—</i>	
\$0	\$16,700	.....	<b>10%</b>	<b>\$0</b>	\$0	\$11,950	.....	<b>10%</b>	<b>\$0</b>
16,700	67,900	<b>\$1,670.00 +</b>	<b>15%</b>	<b>16,700</b>	11,950	45,500	<b>\$1,195.00 +</b>	<b>15%</b>	<b>11,950</b>
67,900	137,050	<b>9,350.00 +</b>	<b>25%</b>	<b>67,900</b>	45,500	117,450	<b>6,227.50 +</b>	<b>25%</b>	<b>45,500</b>
137,050	208,850	<b>26,637.50 +</b>	<b>28%</b>	<b>137,050</b>	117,450	190,200	<b>24,215.00 +</b>	<b>28%</b>	<b>117,450</b>
208,850	372,950	<b>46,741.50 +</b>	<b>33%</b>	<b>208,850</b>	190,200	372,950	<b>44,585.00 +</b>	<b>33%</b>	<b>190,200</b>
372,950	.....	<b>100,894.50 +</b>	<b>35%</b>	<b>372,950</b>	372,950	.....	<b>104,892.50 +</b>	<b>35%</b>	<b>372,950</b>



Use this worksheet **only** if both of the following apply.

- Your elected farm income on your 2011 Schedule J, line 2a, does not include any net capital gain.
- You (a) entered qualified dividends on your 2009 Form 1040, line 9b (or your 2009 Form 1040A, line 9b, or 2009 Form 1040NR, line 10b); (b) entered capital gain distributions directly on your 2009 Form 1040, line 13 (or your 2009 Form 1040A, line 10, or 2009 Form 1040NR, line 14) and were not required to file Schedule D; or (c) filed Schedule D in 2009 and you answered “Yes” on lines 17 and 20 of that Schedule D.

1. Amount from your 2011 Schedule J, line 11. If for 2009 you filed Form 2555 or 2555-EZ, enter the amount from line 3 of the 2009 Foreign Earned Income Tax Worksheet . . . . .	1.	<input type="text"/>
2. Amount from your 2009 Form 1040, line 9b* (or your 2009 Form 1040A, line 9b, or 2009 Form 1040NR, line 10b) . . . . .	2.	<input type="text"/>
3. Did you file Schedule D in 2009?*		
<input type="checkbox"/> <b>Yes.</b> Enter the <b>smaller</b> of line 15 or 16 of your 2009 Schedule D, but do not enter less than -0-	3.	<input type="text"/>
<input type="checkbox"/> <b>No.</b> Enter the amount from your 2009 Form 1040, line 13 (or your 2009 Form 1040A, line 10, or 2009 Form 1040NR, line 14)		
4. Add lines 2 and 3 . . . . .	4.	<input type="text"/>
5. Amount, if any, from your 2009 Form 4952, line 4g . . . . .	5.	<input type="text"/>
6. Subtract line 5 from line 4. If zero or less, enter -0- . . . . .	6.	<input type="text"/>
7. Subtract line 6 from line 1. If zero or less, enter -0- . . . . .	7.	<input type="text"/>
8. Enter the <b>smaller</b> of:		
• The amount on line 1, or	8.	<input type="text"/>
• \$33,950 if single or married filing separately, or if you checked filing status box 1, 2, 3, 4, or 5 on Form 1040NR; \$67,900 if married filing jointly or qualifying widow(er) or if you checked filing status box 6 on Form 1040NR; \$45,500 if head of household.		
9. Is the amount on line 7 equal to or more than the amount on line 8?		
<input type="checkbox"/> <b>Yes.</b> Skip lines 9 and 10; go to line 11 and check the “No” box.	9.	<input type="text"/>
<input type="checkbox"/> <b>No.</b> Enter the amount from line 7 . . . . .		
10. Subtract line 9 from line 8 . . . . .	10.	<input type="text"/>
11. Are the amounts on lines 6 and 10 the same?		
<input type="checkbox"/> <b>Yes.</b> Skip lines 11 through 14; go to line 15.	11.	<input type="text"/>
<input type="checkbox"/> <b>No.</b> Enter the <b>smaller</b> of line 1 or line 6 . . . . .		
12. Enter the amount from line 10 (if line 10 is blank, enter -0-) . . . . .	12.	<input type="text"/>
13. Subtract line 12 from line 11 . . . . .	13.	<input type="text"/>
14. Multiply line 13 by 15% (.15) . . . . .	14.	<input type="text"/>
15. Figure the tax on the amount on line 7. Use the 2009 Tax Rate Schedules . . . . .	15.	<input type="text"/>
16. Add lines 14 and 15 . . . . .	16.	<input type="text"/>
17. Figure the tax on the amount on line 1. Use the 2009 Tax Rate Schedules . . . . .	17.	<input type="text"/>
18. <b>Tax.</b> Enter the <b>smaller</b> of line 16 or line 17 here and on your 2011 Schedule J, line 12. If for 2009 you filed Form 2555 or 2555-EZ, do not enter this amount on Schedule J, line 12. Instead, enter it on line 4 of the 2009 Foreign Earned Income Tax Worksheet . . . . .	18.	<input type="text"/>

\*If for 2009 you filed Form 2555 or 2555-EZ, see the footnote in the 2009 Foreign Earned Income Tax Worksheet before completing this line.

Use this worksheet if you claimed the foreign earned income exclusion or housing exclusion on your 2009 Form 1040 using Form 2555 or 2555-EZ. However, if Schedule J, line 11, is zero or less do not complete this worksheet.

- |   |    |       |
|---|----|-------|
| 1. Enter the amount from your 2011 Schedule J, line 11 . . . . .  | 1. | _____ |
| 2. Enter the amount from your (and your spouse's, if filing jointly) 2009 Form 2555, lines 45 and 50, or Form 2555-EZ, line 18 . . . . .  | 2. | _____ |
| 3. Add lines 1 and 2 . . . . .  | 3. | _____ |
| 4. <b>Tax on the amount on line 3.</b> Use the 2009 Tax Rate Schedules, the 2009 Qualified Dividends and Capital Gain Tax Worksheet,* or the 2009 Schedule D Tax Worksheet in the 2009 Schedule D instructions,* whichever applies. . . . . | 4. | _____ |
| 5. <b>Tax on the amount on line 2.</b> Use the 2009 Tax Rate Schedules. . . . .   | 5. | _____ |
| 6. Subtract line 5 from line 4. Enter the result. If zero or less, enter -0-. Also include this amount on your 2011 Schedule J, line 12 . . . . .   | 6. | _____ |

*\*Enter the amount from line 3 above on line 1 of the 2009 Qualified Dividends and Capital Gain Tax Worksheet or the 2009 Schedule D Tax Worksheet if you use either of those worksheets to figure the tax on line 4 above. Complete the rest of that worksheet through line 6 (line 10 if you use the Schedule D Tax Worksheet). Next, you must determine if you had a capital gain excess. To find out if you had a capital gain excess, subtract the amount from your 2011 Schedule J, line 11, from line 6 of your 2009 Qualified Dividends and Capital Gain Tax Worksheet (line 10 of your 2009 Schedule D Tax Worksheet). If the result is more than zero, that amount is your capital gain excess.*

*If you did not have a capital gain excess, complete the rest of either of those worksheets according to the worksheet's instructions. Then complete lines 5 and 6 above.*

*If you had a capital gain excess, complete a second 2009 Qualified Dividends and Capital Gain Tax Worksheet or 2009 Schedule D Tax Worksheet (whichever applies) as instructed above but in its entirety and with the following additional modifications. Then complete lines 5 and 6 above. These modifications are to be made only for purposes of filling out the 2009 Foreign Earned Income Tax Worksheet above.*

- 1. Reduce (but not below zero) the amount you would otherwise enter on line 3 of your 2009 Qualified Dividends and Capital Gain Tax Worksheet or line 9 of your 2009 Schedule D Tax Worksheet by your capital gain excess.*
- 2. Reduce (but not below zero) the amount you would otherwise enter on line 2 of your 2009 Qualified Dividends and Capital Gain Tax Worksheet or line 6 of your 2009 Schedule D Tax Worksheet by any of your capital gain excess not used in (1) above.*
- 3. Reduce (but not below zero) the amount on your 2009 Schedule D (Form 1040), line 18, by your capital gain excess.*
- 4. Include your capital gain excess as a loss on line 16 of your 2009 Unrecaptured Section 1250 Gain Worksheet in the 2009 Instructions for Schedule D (Form 1040).*

## Line 13

If you used Schedule J to figure your tax for 2010 (that is, you entered the amount from the 2010 Schedule J, line 23, on line 44 of your 2010 Form 1040, on line 42 of your 2010 Form 1040NR, or on Form 1040X for 2010), enter on line 13 the amount from your 2010 Schedule J, line 3.

If you did not use Schedule J to figure your tax for 2010, enter on line 13 the taxable income from your 2010 tax return (or as previously adjusted by the IRS or corrected on an amended return). But if that amount is zero or less, complete the worksheet below to figure the amount to enter on line 13.

If you did not file a tax return for 2010, use the amount you would have reported as your taxable income had you been required to file a tax return. Be sure to keep all your records for 2010 until at least 3 years after April 17, 2012 (or the date you file your 2011 tax return, if later).

### Instructions for 2010 Taxable Income Worksheet

**Line 2.** Any net capital loss deduction on your 2010 Schedule D, line 21, is not allowed for income averaging purposes to the extent it did not reduce your capital loss carryover to 2011. This could happen if the taxable income before subtracting exemptions—shown on your 2010 Form 1040, line 41, or your 2010 Form 1040NR, line 39 (or as previously adjusted)—was less than zero. Enter on line 2 the amount by which your 2010 capital loss carryover to 2011 (the sum of your short- and long-term capital loss carryovers) exceeds the excess of the loss on your 2010 Schedule D, line 16, over the loss on your 2010 Schedule D, line 21.

**Line 3.** If you had an NOL for 2010, enter the amount of that NOL from line 25 of the 2010 Form 1045, Schedule A, you filed with Form 1045 or Form 1040X. If you did not have an NOL for 2010, enter the por-

tion, if any, of the NOL carryovers and carrybacks to 2010 that were not used in 2010 and were carried to years after 2010.

**Example.** John Farmington did not use income averaging for 2008, 2009, or 2010. The taxable income before subtracting exemptions on his 2010 Form 1040, line 41, is a negative \$1,000. This amount includes an NOL deduction on his 2010 Form 1040, line 21, of \$1,650. The \$1,650 is the portion of the 2009 NOL that was remaining from 2008 to be carried to 2010. See the examples, earlier. A deduction for exemptions of \$3,650 is shown on Form 1040, line 42, and line 43, taxable income, is limited to zero. John does not have an NOL for 2010. John subtracts from the \$1,000 negative amount on Form 1040, line 41, the \$3,650 deduction for exemptions. The result is a negative \$4,650, John's 2010 taxable income, which he enters as a positive amount on line 1 of the 2010 Taxable Income Worksheet.

When John filed his 2010 tax return, he had a \$3,000 net capital loss deduction on Schedule D, line 21 (which was also entered on Form 1040, line 13), a \$7,000 loss on Schedule D, line 16, and a \$5,000 capital loss carryover to 2011 (his 2010 capital loss carryover to 2011 was \$5,000, not \$4,000, because the amount on his Form 1040, line 41, was a negative \$1,000). John adds the \$3,000 from Schedule D, line 21, and the \$5,000 carryover. He subtracts from the \$8,000 result the \$7,000 loss on his Schedule D, line 16, and enters \$1,000 on line 2 of the worksheet.

John enters -0- on line 3 of the worksheet because he does not have an NOL for 2010 and did not have an NOL carryover from 2010 available to carry to 2011 and later years. The NOL deduction for 2010 of \$1,650 was reduced to zero because it did not exceed his modified taxable income of \$3,650. Modified taxable income is figured by adding back the \$3,000 net capital loss deduction and the \$3,650 exemption de-

duction to negative taxable income (figured without regard to the NOL deduction) of \$3,000. John enters \$1,000 on line 4 and \$3,650 on line 5. He enters \$3,650 as a negative amount on Schedule J, line 13. He enters \$6,000 on Schedule J, line 14, and \$2,350 on Schedule J, line 15. If he uses Schedule J to figure his tax for 2012, he will enter \$2,350 on his 2012 Schedule J as his 2010 taxable income for income averaging purposes.

## Line 16

If line 15 is zero or less, enter -0- on line 16. Otherwise, figure the tax on the amount on line 15 using:

- The 2010 Tax Rate Schedules, later,
- The 2010 Qualified Dividends and Capital Gain Tax Worksheet, later,
- The 2010 Schedule D Tax Worksheet in the 2010 Schedule D instructions (but use the 2010 Tax Rate Schedules when figuring the tax on the Schedule D Tax Worksheet, lines 34 and 36), or
- The 2010 Foreign Earned Income Tax Worksheet, later.

If your elected farm income includes net capital gain, you must use the 2010 Schedule D Tax Worksheet to figure the tax on the amount on line 15. However, if you filed Form 2555 or 2555-EZ for 2010, you must first complete the 2010 Foreign Earned Income Tax Worksheet, and then use the 2010 Schedule D Tax Worksheet to figure the tax on the amount on line 3 of that worksheet.

When completing the Schedule D Tax Worksheet, you must allocate 1/3 of the amount on line 2b (and 1/3 of the amount on line 2c, if any) to 2010. If for 2010 you had a capital loss that resulted in a capital loss carryover to 2011, do not reduce the elected farm income allocated to 2010 by any part of the carryover.

## 2010 Taxable Income Worksheet—Line 13

Keep for Your Records



Complete this worksheet if your 2010 taxable income was zero or less. See the instructions above before completing this worksheet.

- |   |    |       |
|---|----|-------|
| 1. Figure the taxable income from your 2010 tax return (or as previously adjusted) without limiting it to zero. If you had an NOL for 2010, <b>do not</b> include any NOL carryovers or carrybacks to 2010. Enter the result as a positive amount . . . . . | 1. | _____ |
| 2. If there is a loss on your 2010 Schedule D, line 21, add that loss (as a positive amount) and your 2010 capital loss carryover to 2011. Subtract from that sum the amount of the loss on your 2010 Schedule D, line 16, and enter the result . . . . .   | 2. | _____ |
| 3. If you had an NOL for 2010, enter it as a positive amount. Otherwise, enter as a positive amount the portion, if any, of the NOL carryovers and carrybacks to 2010 that were not used in 2010 and were carried to years after 2010 . . . . .             | 3. | _____ |
| 4. Add lines 2 and 3 . . . . .  | 4. | _____ |
| 5. Subtract line 4 from line 1. Enter the result as a <b>negative</b> amount on Schedule J, line 13 . . . . .   | 5. | _____ |

**2010 Tax Rate Schedules—Line 16**

<b>Schedule X</b> —Use if your <b>2010</b> filing status was <b>Single</b> or you checked filing status box 1 or 2 on Form 1040NR					<b>Schedule Y-2</b> —Use if your <b>2010</b> filing status was <b>Married filing separately</b> or you checked filing status box 3, 4, or 5 on Form 1040NR				
If Schedule J, line 15, is: <i>Over</i> —	<i>But not over</i> —	Enter on Schedule J, line 16	<i>of the amount over</i> —		If Schedule J, line 15, is: <i>Over</i> —	<i>But not over</i> —	Enter on Schedule J, line 16	<i>of the amount over</i> —	
\$0	\$8,375	.....	<b>10%</b>	<b>\$0</b>	\$0	\$8,375	.....	<b>10%</b>	<b>\$0</b>
8,375	34,000	<b>\$837.50 +</b>	<b>15%</b>	<b>8,375</b>	8,375	34,000	<b>\$837.50 +</b>	<b>15%</b>	<b>8,375</b>
34,000	82,400	<b>4,681.25 +</b>	<b>25%</b>	<b>34,000</b>	34,000	68,650	<b>4,681.25 +</b>	<b>25%</b>	<b>34,000</b>
82,400	171,850	<b>16,781.25 +</b>	<b>28%</b>	<b>82,400</b>	68,650	104,625	<b>13,343.75 +</b>	<b>28%</b>	<b>68,650</b>
171,850	373,650	<b>41,827.25 +</b>	<b>33%</b>	<b>171,850</b>	104,625	186,825	<b>23,416.75 +</b>	<b>33%</b>	<b>104,625</b>
373,650	.....	<b>108,421.25 +</b>	<b>35%</b>	<b>373,650</b>	186,825	.....	<b>50,542.75 +</b>	<b>35%</b>	<b>186,825</b>
<b>Schedule Y-1</b> —Use if your <b>2010</b> filing status was <b>Married filing jointly</b> or <b>Qualifying widow(er)</b> or you checked filing status box 6 on Form 1040NR					<b>Schedule Z</b> —Use if your <b>2010</b> filing status was <b>Head of household</b>				
If Schedule J, line 15, is: <i>Over</i> —	<i>But not over</i> —	Enter on Schedule J, line 16	<i>of the amount over</i> —		If Schedule J, line 15, is: <i>Over</i> —	<i>But not over</i> —	Enter on Schedule J, line 16	<i>of the amount over</i> —	
\$0	\$16,750	.....	<b>10%</b>	<b>\$0</b>	\$0	\$11,950	.....	<b>10%</b>	<b>\$0</b>
16,750	68,000	<b>\$1,675.00 +</b>	<b>15%</b>	<b>16,750</b>	11,950	45,550	<b>\$1,195.00 +</b>	<b>15%</b>	<b>11,950</b>
68,000	137,300	<b>9,362.50 +</b>	<b>25%</b>	<b>68,000</b>	45,550	117,650	<b>6,235.00 +</b>	<b>25%</b>	<b>45,550</b>
137,300	209,250	<b>26,687.50 +</b>	<b>28%</b>	<b>137,300</b>	117,650	190,550	<b>24,260.00 +</b>	<b>28%</b>	<b>117,650</b>
209,250	373,650	<b>46,833.50 +</b>	<b>33%</b>	<b>209,250</b>	190,550	373,650	<b>44,672.00 +</b>	<b>33%</b>	<b>190,550</b>
373,650	.....	<b>101,085.50 +</b>	<b>35%</b>	<b>373,650</b>	373,650	.....	<b>105,095.00 +</b>	<b>35%</b>	<b>373,650</b>



Use this worksheet if you claimed the foreign earned income exclusion or housing exclusion on your 2010 Form 1040 using Form 2555 or 2555-EZ. However, if Schedule J, line 15, is zero or less do not complete this worksheet.

1. Enter the amount from your 2011 Schedule J, line 15 . . . . .	1.	_____
2. Enter the amount from your (and your spouse's, if filing jointly) 2010 Form 2555, lines 45 and 50, or Form 2555-EZ, line 18 . . . . .	2.	_____
3. Add lines 1 and 2 . . . . .	3.	_____
4. <b>Tax on the amount on line 3.</b> Use the 2010 Tax Rate Schedules, the 2010 Qualified Dividends and Capital Gain Tax Worksheet,* or the 2010 Schedule D Tax Worksheet in the 2010 Schedule D instructions,* whichever applies. . . . .	4.	_____
5. <b>Tax on the amount on line 2.</b> Use the 2010 Tax Rate Schedules. . . . .	5.	_____
6. Subtract line 5 from line 4. Enter the result. If zero or less, enter -0-. Also include this amount on your 2011 Schedule J, line 16 . . . . .	6.	_____

*\*Enter the amount from line 3 above on line 1 of the 2010 Qualified Dividends and Capital Gain Tax Worksheet or the 2010 Schedule D Tax Worksheet if you use either of those worksheets to figure the tax on line 4 above. Complete the rest of that worksheet through line 6 (line 10 if you use the Schedule D Tax Worksheet). Next, you must determine if you had a capital gain excess. To find out if you had a capital gain excess, subtract the amount from your 2011 Schedule J, line 15, from line 6 of your 2010 Qualified Dividends and Capital Gain Tax Worksheet (line 10 of your 2010 Schedule D Tax Worksheet). If the result is more than zero, that amount is your capital gain excess.*

*If you did not have a capital gain excess, complete the rest of either of those worksheets according to the worksheet's instructions. Then complete lines 5 and 6 above.*

*If you had a capital gain excess, complete a second 2010 Qualified Dividends and Capital Gain Tax Worksheet or 2010 Schedule D Tax Worksheet (whichever applies) as instructed above but in its entirety and with the following additional modifications. Then complete lines 5 and 6 above. These modifications are to be made only for purposes of filling out the 2010 Foreign Earned Income Tax Worksheet above.*

1. Reduce (but not below zero) the amount you would otherwise enter on line 3 of your 2010 Qualified Dividends and Capital Gain Tax Worksheet or line 9 of your 2010 Schedule D Tax Worksheet by your capital gain excess.
2. Reduce (but not below zero) the amount you would otherwise enter on line 2 of your 2010 Qualified Dividends and Capital Gain Tax Worksheet or line 6 of your 2010 Schedule D Tax Worksheet, by any of your capital gain excess not used in (1) above.
3. Reduce (but not below zero) the amount on your 2010 Schedule D (Form 1040), line 18, by your capital gain excess.
4. Include your capital gain excess as a loss on line 16 of your 2010 Unrecaptured Section 1250 Gain Worksheet in the 2010 Instructions for Schedule D (Form 1040).

**Lines 19, 20, and 21**

If you amended your return or the IRS made changes to it, enter the corrected amount.

\_\_\_\_\_



# 2011 Instructions for Schedule R (Form 1040A or 1040)

## Credit for the Elderly or the Disabled

Use Schedule R (Form 1040A or 1040) to figure the credit for the elderly or the disabled.

**Additional information.** See Pub. 524 for more details.

### Who Can Take the Credit

The credit is based on your filing status, age, and income. If you are married filing a joint return, it is also based on your spouse's age and income. You may be able to take this credit if either of the following applies.

1. You were age 65 or older at the end of 2011, or
2. You were under age 65 at the end of 2011 and you meet all of the following.
  - a. You were permanently and totally disabled on the date you retired. If you retired before 1977, you must have been permanently and totally disabled on January 1, 1976, or January 1, 1977.
  - b. You received taxable disability income for 2011.
  - c. On January 1, 2011, you had not reached mandatory retirement age (the age when your employer's retirement program would have required you to retire).

For the definition of permanent and total disability, see *What Is Permanent and Total Disability?* on this page. Also, see the instructions for Part II.

### Married Persons Filing Separate Returns

If your filing status is married filing separately and you lived with your spouse at any time during 2011, you cannot take the credit.

### Nonresident Aliens

If you were a nonresident alien at any time during 2011, you may be able to take the credit only if your filing status is married filing jointly.

### Income Limits

See the chart on page R-2.

### Want the IRS To Figure Your Credit?

If you can take the credit and you want us to figure it for you, check the box in Part I of Schedule R (Form 1040A or 1040) for your filing status and age. Fill in Part II and lines 11 and 13 of Part III if they apply to you. If you file Form 1040A, enter "CFE" in the space to the left of Form 1040A, line 30. If you file Form 1040, check box c on Form 1040, line 53, and enter "CFE" on the line next to that box. Attach Schedule R (Form 1040A or 1040) to your return.

### What Is Permanent and Total Disability?

A person is permanently and totally disabled if both 1 and 2 below apply.

1. He or she cannot engage in any substantial gainful activity because of a physical or mental condition.
2. A qualified physician determines that the condition has lasted or can be expected to last continuously for at least a year or can lead to death.

Examples 1 and 2, next, show situations in which the individuals are considered engaged in a substantial gainful activity. Example 3 shows a person who might not be considered engaged in a substantial gainful activity. In each example, the person was under age 65 at the end of the year.

## Income Limits for the Credit for the Elderly or the Disabled

IF you are . . .	THEN you generally cannot take the credit if:	
	The amount on Form 1040A, line 22, or Form 1040, line 38, is . . .	Or you received . . .
Single, head of household, or qualifying widow(er) with dependent child	\$17,500 or more	\$5,000 or more of nontaxable social security or other nontaxable pensions, annuities, or disability income
Married filing jointly and only one spouse is eligible for the credit	\$20,000 or more	\$5,000 or more of nontaxable social security or other nontaxable pensions, annuities, or disability income
Married filing jointly and both spouses are eligible for the credit	\$25,000 or more	\$7,500 or more of nontaxable social security or other nontaxable pensions, annuities, or disability income
Married filing separately and you lived apart from your spouse for all of 2011	\$12,500 or more	\$3,750 or more of nontaxable social security or other nontaxable pensions, annuities, or disability income

**Example 1.** Sue retired on disability as a sales clerk. She now works as a full-time babysitter earning minimum wage. Although she does different work, Sue babysits on ordinary terms for the minimum wage. She cannot take the credit because she is engaged in a substantial gainful activity.

**Example 2.** Mary, the president of XYZ Corporation, retired on disability because of her terminal illness. On her doctor's advice, she works part time as a manager and is paid more than the minimum wage. Her employer sets her days and hours. Although Mary's illness is terminal and she works part time, the work is done at her employer's convenience. Mary is considered engaged in a substantial gainful activity and cannot take the credit.

**Example 3.** John, who retired on disability, took a job with a former employer on a trial basis. The purpose of the job was to see if John could do the work. The trial period lasted for some time during which John was paid at a rate equal to the minimum wage. But because of John's disability, he was given only light duties of a nonproductive, make-work nature. Unless the activity is both substantial and gainful, John is not engaged in a substantial gainful activity. The activity was gainful because John was paid at a rate at or above the minimum wage. However, the activity was not substantial because the duties were of a nonproductive, make-work nature. More facts are needed to determine if John is able to engage in a substantial gainful activity.

## Disability Income

Generally, disability income is the total amount you were paid under your employer's accident and health plan or pension plan that is included in your income as wages or payments instead of wages for the time you were absent from work because of permanent and total disability. However, any payment you received from a

plan that does not provide for disability retirement is not disability income.

In figuring the credit, disability income does not include any amount you received from your employer's pension plan after you have reached mandatory retirement age.

For more details on disability income, see Pub. 525.

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## Part II. Statement of Permanent and Total Disability

If you checked box 2, 4, 5, 6, or 9 in Part I and you did not file a physician's statement for 1983 or an earlier year, or you filed or got a statement for tax years after 1983 and your physician signed on line A of the statement, you must have your physician complete a statement certifying that:

- You were permanently and totally disabled on the date you retired, or
- If you retired before 1977, you were permanently and totally disabled on January 1, 1976, or January 1, 1977.

You do not have to file this statement with your tax return. But you must keep it for your records. You can use the physician's statement later in these instructions for this purpose. Your physician should show on the statement if the disability has lasted or can be expected to last continuously for at least a year, or if there is no reasonable probability that the disabled condition will ever improve. If you file a joint return and you checked box 5 in Part I, you and your spouse must each get a statement.

If you filed a physician's statement for 1983 or an earlier year, or you filed or got a statement for tax years after 1983 and your physician signed on line B of the statement, you do not have to get another statement for

2011. But you must check the box on line 2 in Part II to certify all three of the following.

1. You filed or got a physician's statement in an earlier year.
2. You were permanently and totally disabled during 2011.
3. You were unable to engage in any substantial gainful activity during 2011 because of your physical or mental condition.

If you checked box 4, 5, or 6 in Part I, enter in the space above the box on line 2 in Part II the first name(s) of the spouse(s) for whom the box is checked.

If the Department of Veterans Affairs (VA) certifies that you are permanently and totally disabled, you can use VA Form 21-0172 instead of the physician's statement. VA Form 21-0172 must be signed by a person authorized by the VA to do so. You can get this form from your local VA regional office.

## Part III. Figure Your Credit

### Line 11

If you checked box 2, 4, 5, 6, or 9 in Part I, use the following chart to complete line 11.

IF you checked . . .	THEN enter on line 11 . . .
Box 6	The total of \$5,000 plus the disability income you reported on Form 1040A or 1040 for the spouse who was under age 65.
Box 2, 4, or 9	The total amount of disability income you reported on Form 1040A or 1040.
Box 5	The total amount of disability income you reported on Form 1040A or 1040 for both you and your spouse.

**Example 1.** Bill, age 63, retired on permanent and total disability in 2011. He received \$4,000 of taxable disability income that he reports on Form 1040, line 7. He is

filing jointly with his wife who was age 67 in 2011, and he checked box 6 in Part I. On line 11, Bill enters \$9,000 (\$5,000 plus the \$4,000 of disability income he reports on Form 1040, line 7).

**Example 2.** John checked box 2 in Part I and enters \$5,000 on line 10. He received \$3,000 of taxable disability income, which he enters on line 11. John also enters \$3,000 on line 12 (the smaller of line 10 or line 11). The largest amount he can use to figure the credit is \$3,000.

## Lines 13a Through 18

The amount on which you figure your credit can be reduced if you received certain types of nontaxable pensions, annuities, or disability income. The amount can also be reduced if your adjusted gross income is over a certain amount, depending on which box you checked in Part I.

**Line 13a.** Enter any social security benefits (before deduction of Medicare premiums) you (and your spouse if filing jointly) received for 2011 that are not taxable. Also, enter any tier 1 railroad retirement benefits treated as social security that are not taxable.

If any of your social security or equivalent railroad retirement benefits are taxable, the amount to enter on this line is generally the difference between the amounts entered on Form 1040A, line 14a and line 14b, or Form 1040, line 20a and line 20b.



*If your social security or equivalent railroad retirement benefits are reduced because of workers' compensation benefits, treat the workers' compensation benefits as social security benefits when completing Schedule R (Form 1040A or 1040), line 13a.*

**Line 13b.** Enter the total of the following types of income that you (and your spouse if filing jointly) received for 2011.

- Veterans' pensions (but not military disability pensions).
- Any other pension, annuity, or disability benefit that is excluded from income under any provision of federal law other than the Internal Revenue Code. Do

## Credit Limit Worksheet—Line 21

Keep for Your Records



Use this worksheet to figure your credit limit.		
1. Enter the amount from Form 1040A, line 28; or Form 1040, line 46 . . . . .	1.	
2. Enter the amount from Form 1040A, line 29; or Form 1040, lines 47 and 48 . . . . .	2.	
3. Subtract line 2 from line 1. Enter this amount on Schedule R (Form 1040A or 1040), line 21. But if zero or less, <b>STOP</b> , you cannot take this credit. . . . .	3.	

not include amounts that are treated as a return of your cost of a pension or annuity.

Do not include on line 13b any pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of any country, or in the National Oceanic and Atmospheric

Administration or the Public Health Service. Also, do not include a disability annuity payable under section 808 of the Foreign Service Act of 1980.

## Instructions for Physician's Statement

### Taxpayer

If you retired after 1976, enter the date you retired in the space provided on the statement below.

### Physician

A person is permanently and totally disabled if both of the following apply.

1. He or she cannot engage in any substantial gainful activity because of a physical or mental condition.

2. A physician determines that the disability has lasted or can be expected to last continuously for at least a year or can lead to death.

### Physician's Statement

*Keep for Your Records*

I certify that \_\_\_\_\_

Name of disabled person

was permanently and totally disabled on January 1, 1976, or January 1, 1977, or was permanently and totally disabled on the date he or she retired. If retired after 1976, enter the date retired. ► \_\_\_\_\_

**Physician:** Sign your name on either line A or B below.

A The disability has lasted or can be expected to last continuously for at least a year . . . . .

\_\_\_\_\_  
Physician's signature

\_\_\_\_\_  
Date

B There is no reasonable probability that the disabled condition will ever improve . . . . .

\_\_\_\_\_  
Physician's signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Physician's name

\_\_\_\_\_  
Physician's address



# 2011 Instructions for Schedule SE (Form 1040)

## Self-Employment Tax

Use Schedule SE (Form 1040) to figure the tax due on net earnings from self-employment. The Social Security Administration uses the information from Schedule SE to figure your benefits under the social security program. This tax applies no matter how old you are and even if you are already getting social security or Medicare benefits.

**Additional information.** See Pub. 225 or Pub. 334.

Section references are to the Internal Revenue Code unless otherwise noted.

### What's New

**More information.** The IRS has created a page on [IRS.gov](http://IRS.gov) for information about Form 1040 and its instructions, at [www.irs.gov/form1040](http://www.irs.gov/form1040). Information about any recent developments affecting Schedule SE will be posted on that page.

**Maximum income subject to social security tax.** The maximum amount of self-employment income subject to social security tax remains \$106,800.

**Deduction for self-employed health insurance.** You can no longer reduce your net self-employment income by the amount of your self-employed health insurance deduction (from line 29 of Form 1040 or Form 1040NR).

**SE tax rate.** For 2011, the Old Age, Survivors, and Disability Insurance (OASDI) portion of the SE tax is reduced by 2%, from 12.4% to 10.4%. The Medicare (HI) portion of the SE tax remains 2.9%. As a result, the SE tax rate is reduced from 15.3% to 13.3%.

**SE tax deduction.** For 2011, the SE tax deduction is revised to reflect an employer's equivalent portion of tax. Previously, the deduction was equal to one-half of self-employment tax.

### General Instructions

#### Who Must File Schedule SE

You must file Schedule SE if:

- The amount on line 4 of Short Schedule SE or line 4c of Long Schedule SE is \$400 or more, **or**
- You had church employee income of \$108.28 or more. Income from services you performed as a minister or a member of a religious order is **not** church employee income. See *Employees of Churches and Church Organizations*.

**Note.** Even if you had a loss or a small amount of income from self-employment,

it may be to your benefit to file Schedule SE and use either "optional method" in Part II of Long Schedule SE (discussed later).

**Exception.** If your only self-employment income was from earnings as a minister, member of a religious order, or Christian Science practitioner, see *Ministers and Members of Religious Orders*.

#### Who Must Pay Self-Employment (SE) Tax

##### Self-Employed Persons

You must pay SE tax if you had net earnings of \$400 or more as a self-employed person. If you are in business (farm or non-farm) for yourself, you are self-employed.

You must also pay SE tax on your share of certain partnership income and your guaranteed payments. See *Partnership Income or Loss*, later.

##### Employees of Churches and Church Organizations

If you had church employee income of \$108.28 or more, you must pay SE tax. Church employee income is wages you received as an employee (other than as a minister or member of a religious order) of a church or qualified church-controlled organization that has a certificate in effect electing an exemption from employer social security and Medicare taxes.

##### Ministers and Members of Religious Orders

In most cases, you must pay SE tax on salaries and other income for services you performed as a minister, a member of a religious order who has not taken a vow of poverty, or a Christian Science practitioner. But if you filed Form 4361 and received IRS approval, you will be exempt from paying SE tax on those net earnings. If you had no other income subject to SE tax, enter "Exempt—Form 4361" on Form 1040, line 56, or Form 1040NR, line 54. However, if you had other net earnings of \$400 or more subject to SE tax, see line A at the top of Long Schedule SE.



*If you have ever filed Form 2031 to elect social security coverage on your earnings as a minister, you cannot revoke that election.*

If you must pay SE tax, include this income on either Short or Long Schedule SE, line 2. But do not report it on Long Schedule SE, line 5a; it is not considered church employee income. Also, include on line 2:

- The rental value of a home or an allowance for a home furnished to you (including payments for utilities), and
- The value of meals and lodging provided to you, your spouse, and your dependents for your employer's convenience.

However, do not include on line 2:

- Retirement benefits you received from a church plan after retirement, or
- The rental value of a home or an allowance for a home furnished to you (including payments for utilities) after retirement.

If you were a duly ordained minister who was an employee of a church and you must pay SE tax, when figuring SE tax, subtract on line 2 allowable expenses from your self-employment earnings and attach an explanation. Please note that the unreimbursed employee business expenses that you incurred as an employee of the church are not allowable expenses for SE tax purposes, and are allowed only as an itemized deduction for income tax purposes.

If you were a U.S. citizen or resident alien serving outside the United States as a minister or member of a religious order and you must pay SE tax, you cannot reduce your net earnings by the foreign earned income exclusion or the foreign housing exclusion or deduction.

See Pub. 517 for details.

##### Members of Certain Religious Sects

If you have conscientious objections to social security insurance because of your membership in and belief in the teachings of a religious sect recognized as being in existence at all times since December 31, 1950, and which has provided a reasonable level of living for its dependent members,

you are exempt from SE tax if you received IRS approval by filing Form 4029. In this case, do not file Schedule SE. Instead, enter "Exempt—Form 4029" on Form 1040, line 56, or Form 1040NR, line 54. See Pub. 517 for details.

### U.S. Citizens Employed by Foreign Governments or International Organizations

You must pay SE tax on income you earned as a U.S. citizen employed by a foreign government (or, in certain cases, by a wholly owned instrumentality of a foreign government or an international organization under the International Organizations Immunities Act) for services performed in the United States, Puerto Rico, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, or the U.S. Virgin Islands. Report income from this employment on either Short or Long Schedule SE, line 2. If you performed services elsewhere as an employee of a foreign government or an international organization, those earnings are exempt from SE tax.

**Exception—Dual citizens.** A person with dual U.S.-foreign citizenship is generally considered to be a U.S. citizen for social security purposes. However, if you are a U.S. citizen and also a citizen of a country with which the United States has a bilateral social security agreement, other than Canada or Italy, your work for the government of that foreign country is always exempt from U.S. social security taxes. For further information about these agreements, see the exception shown in the next section.

### U.S. Citizens or Resident Aliens Living Outside the United States

If you are a self-employed U.S. citizen or resident alien living outside the United States, in most cases you must pay SE tax. You cannot reduce your foreign earnings from self-employment by your foreign earned income exclusion.

**Exception.** The United States has social security agreements with many countries to eliminate dual taxes under two social security systems. Under these agreements, you must generally pay social security and Medicare taxes to only the country you live in.

The United States now has social security agreements with the following countries: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, Poland, Portugal, South Korea, Spain, Sweden, Switzerland, and the United Kingdom. Additional agreements are expected in the future.

If you have questions about international social security agreements, you can:

1. Visit the Social Security Administration's (SSA's) International

Programs website at [www.socialsecurity.gov/international](http://www.socialsecurity.gov/international);

2. Call the SSA's Office of International Programs at:

a. (410) 965-3322 for questions on benefits under agreements, or

b. (410) 965-7306 for questions on the coverage rules of the agreements; or

3. Write to:

a. Social Security Administration, Office of International Programs, P.O. Box 17741, Baltimore, MD 21235-7741 USA for information about an agreement, or

b. Social Security Administration, OIO—Totalization, P.O. Box 17769, Baltimore, MD 21235-7769 USA for information about a claim for benefits.

If your self-employment income is exempt from SE tax, you should get a statement from the appropriate agency of the foreign country verifying that your self-employment income is subject to social security coverage in that country. If the foreign country will not issue the statement, contact the SSA at the address shown in (3a) above. Do not complete Schedule SE. Instead, attach a copy of the statement to Form 1040 and enter "Exempt, see attached statement" on Form 1040, line 56.

### Nonresident Alien

If you are a self-employed nonresident alien living in the United States, you must pay SE tax if an international social security agreement in effect determines that you are covered under the U.S. social security system. See *Exception* under *U.S. Citizens or Resident Aliens Living Outside the United States*, earlier, for information about international social security agreements. If your self-employment income is subject to SE tax, complete Schedule SE and file it with your Form 1040NR.

### Chapter 11 Bankruptcy Cases

While you are a debtor in a chapter 11 bankruptcy case, your net profit or loss from self-employment (for example, from Schedule C or Schedule F) will not be included in your Form 1040 income. Instead, it will be included on the income tax return (Form 1041) of the bankruptcy estate. However, you (not the bankruptcy estate) are responsible for paying SE tax on your net earnings from self-employment.

Enter on the dotted line to the left of Schedule SE, line 3, "Chap. 11 bankruptcy income" and the amount of your net profit or (loss). Combine that amount with the total of lines 1a, 1b, and 2 (if any) and enter the result on line 3.

For other reporting requirements, see *Chapter 11 Bankruptcy Cases* in the instructions for Form 1040.

### More Than One Business

If you had two or more businesses, your net earnings from self-employment are the

combined net earnings from all of your businesses. If you had a loss in one business, it reduces the income from another. Figure the combined SE tax on one Schedule SE.

### Joint Returns

Show the name of the spouse with self-employment income on Schedule SE. If both spouses have self-employment income, each must file a separate Schedule SE. However, if one spouse qualifies to use Short Schedule SE (front of form) and the other must use Long Schedule SE (back of form), both can use the same form. One spouse should complete the front and the other the back.

Include the total profits or losses from all businesses on Form 1040. Enter the combined SE tax on Form 1040, line 56.

### Community Income



*The following rules only apply to persons married for federal tax purposes. Registered domestic partners and same-sex spouses in California report community income for self-employment tax purposes the same way they do for income tax purposes. For more information, see Pub. 555.*

If any of the income from a business (including farming) is community income, then the income and deductions are reported based on the following.

- If only one spouse participates in the business, all of the income from that business is the self-employment earnings of the spouse who carried on the business.
- If both spouses participate, the income and deductions are allocated to the spouses based on their distributive shares.
- If either or both you and your spouse are partners in a partnership, see *Partnership Income or Loss*, later.
- If you and your spouse elected to treat the business as a qualifying joint venture, see *Qualified Joint Ventures*, later.

**Married filing separately.** If you and your spouse had community income and file separate returns, attach Schedule SE to the return of the spouse with the self-employment income. Also, attach Schedule(s) C, C-EZ, or F (showing the spouse's share of community income and expenses) to the return of each spouse.

If you are the spouse who carried on the business, you must include on Schedule SE, line 3, the net profit or (loss) reported on the other spouse's Schedule C, C-EZ, or F (except in those cases described later under *Income and Losses Not Included in Net Earnings From Self-Employment*). Enter on the dotted line to the left of Schedule SE, line 3, "Community income taxed to spouse" and the amount of any net profit or (loss) allocated to your spouse as community income. Combine that amount with the total of lines 1a, 1b, and 2 and enter the result on line 3.

If you are not the spouse who carried on the business and you had no other income subject to SE tax, enter “Exempt community income” on Form 1040, line 56, or Form 1040NR, line 54. Do not file Schedule SE. However, if you had \$400 or more of other net earnings subject to SE tax, include on Schedule SE, line 1a or 2, the net profit or (loss) from Schedule(s) C, C-EZ, or F allocated to you as community income. Also, enter on the dotted line to the left of Schedule SE, line 3, “Exempt community income” and the allocated amount. If that amount is a net profit, subtract it from the total of lines 1a, 1b, and 2, and enter the result on line 3. If that amount is a loss, treat it as a positive amount, add it to the total of lines 1a, 1b, and 2, and enter the result on line 3.



*Community income included on Schedule(s) C, C-EZ, or F must be divided for income tax purposes based on the community property laws of your state. See Pub. 555 for more information.*

## Qualified Joint Ventures

If you and your spouse materially participate (see *Material participation* in the 2011 Instructions for Schedule C) as the only members of a jointly owned and operated business, and you file a joint return for the tax year, you can make a joint election to be taxed as a qualified joint venture instead of a partnership.

To make this election, you must divide all items of income, gain, loss, deduction, and credit attributable to the business between you and your spouse in accordance with your respective interests in the venture. Each of you must file a separate Schedule C, C-EZ, or F. On each line of your separate Schedule C, C-EZ, or F, you must enter your share of the applicable income, deduction, or loss. Each of you also must file a separate Schedule SE to pay SE tax, as applicable.

For more information on qualified joint ventures, go to [IRS.gov](http://IRS.gov). Enter “qualified joint venture” in the search box and select “Election for Husband and Wife Unincorporated Businesses.”

**Rental real estate business.** If you and your spouse make the election for your rental real estate business, the income generally is not subject to SE tax. To indicate that election, be sure to check the “QJV” box in Part I, line 2, of each Schedule E that the rental property is listed on. Do not file Schedule SE unless you have other income subject to SE tax. For an exception to this income not being subject to SE tax, see item 3 under *Other Income and Losses Included in Net Earnings From Self-Employment*, later).

If the election is made for a farm rental business that is not included in self-employment, file two Forms 4835, Farm Rental Income and Expenses.

## Fiscal Year Filers

If your tax year is a fiscal year, use the tax rate and earnings base that apply at the time the fiscal year begins. Do not prorate the tax or earnings base for a fiscal year that overlaps the date of a rate or earnings base change.

## Line Instructions

Read the flowchart on page 1 of Schedule SE to see if you can use Section A—Short Schedule SE, or if you must use Section B—Long Schedule SE. For either section, you will need to know what your net earnings from self-employment are. To find out what is included as net earnings from self-employment, see *Net Earnings From Self-Employment*.



*Enter all negative amounts in parentheses.*

## You Have Only Church Employee Income Subject to SE Tax

If your only income subject to SE tax is church employee income (described earlier under *Employees of Churches and Church Organizations*), skip lines 1 through 4b. Enter -0- on line 4c and go to line 5a.

**Note.** Income from services you perform as a minister of a religious order is **not** church employee income.

## Line 1b (Short or Long Schedule SE)

If you were receiving social security retirement or social security disability benefits at the time you received your Conservation Reserve Program (CRP) payment(s), enter the amount of your taxable CRP payment(s) on line 1b. These payments are included on Schedule F, line 4b, or listed on Schedule K-1 (Form 1065), box 20, code Y.

## Line 4 (Short Schedule SE)

If line 4 is less than \$400 and you have an amount on line 1b, combine lines 1a and 2.

- If the total of lines 1a and 2 is \$434 or more, file Schedule SE (completed through line 4) with your tax return. Enter -0- on Form 1040, line 56, or Form 1040NR, line 54.

- If the total of lines 1a and 2 is less than \$434, **do not** file Schedule SE unless you choose to use an optional method for figuring your SE tax.

## Lines 4a Through 4c (Long Schedule SE)

If both lines 4a and 4c are less than \$400 and you have an amount on line 1b, combine lines 1a and 2.

- If the total of lines 1a and 2 is \$434 or more, file Schedule SE (completed through line 4c) with your tax return. Enter -0- on Form 1040, line 56,\* or Form 1040NR, line 54.\*

- If the total of lines 1a and 2 is less than \$434, **do not** file Schedule SE unless you choose to use an optional method to figure your SE tax.

*\*If you also have church employee income (described earlier under Employees of Churches and Church Organizations), also complete lines 5a and 5b. Complete the rest of Schedule SE, as appropriate.*

## Net Earnings From Self-Employment

In most cases, net earnings include your net profit from a farm or nonfarm business.

## Partnership Income or Loss

If you were a general or limited partner in a partnership, include on line 1a or line 2, whichever applies, the amount of net earnings from self-employment from Schedule K-1 (Form 1065), box 14, code A, and Schedule K-1 (Form 1065-B), box 9, code J1. General partners should reduce this amount by certain expenses before entering it on Schedule SE. See your Schedule K-1 instructions. If you reduce the amount you enter on Schedule SE, you must attach an explanation. Limited partners include only guaranteed payments for services actually rendered to or on behalf of the partnership.

If a partner died and the partnership continued, include in self-employment income the deceased's distributive share of the partnership's ordinary income or loss through the end of the month in which he or she died. See section 1402(f).

If you were married and both you and your spouse were partners in a partnership, each of you must report your net earnings from self-employment from the partnership. Each of you must file a separate Schedule SE and report the partnership income or loss on Schedule E (Form 1040), Part II, for income tax purposes. If only one of you was a partner in a partnership, the spouse who was the partner must report his or her net earnings from self-employment from the partnership.

**Community income.** Your own distributive share of partnership income is included in figuring your net earnings from self-employment. Unlike the division of that income between spouses for figuring income tax, no part of your share can be included in figuring your spouse's net earnings from self-employment.



*Registered domestic partners and same-sex spouses in California report community income for self-employment tax purposes the same way they do for income*

tax purposes. For more information, see Pub. 555.

## Share Farming

You are considered self-employed if you produced crops or livestock on someone else's land for a share of the crops or livestock produced (or a share of the proceeds from the sale of them). This applies even if you paid another person (an agent) to do the actual work or management for you. Report your net earnings for income tax purposes on Schedule F (Form 1040) and for SE tax purposes on Schedule SE. See Pub. 225 for details.

## Other Income and Losses Included in Net Earnings From Self-Employment

1. Rental income from a farm if, as landlord, you materially participated in the production or management of the production of farm products on this land. This income is farm earnings. To determine whether you materially participated in farm management or production, do not consider the activities of any agent who acted for you. The material participation tests for landlords are explained in chapter 12 of Pub. 225.

2. Cash or a payment-in-kind from the Department of Agriculture for participating in a land diversion program.

3. Payments for the use of rooms or other space when you also provided substantial services for the convenience of your tenants. Examples are hotel rooms, boarding houses, tourist camps or homes, trailer parks, parking lots, warehouses, and storage garages. See chapter 5 of Pub. 334 for more information.

4. Income from the retail sale of newspapers and magazines if you were age 18 or older and kept the profits.

5. Income you receive as a direct seller. Newspaper carriers or distributors of any age are direct sellers if certain conditions apply. See chapter 5 of Pub. 334 for details.

6. Amounts received by current or former self-employed insurance agents and salespersons that are:

a. Paid after retirement but figured as a percentage of commissions received from the paying company before retirement,

b. Renewal commissions, or

c. Deferred commissions paid after retirement for sales made before retirement.

However, certain termination payments received by former insurance salespersons are not included in net earnings from self-employment (as explained in item 10 under *Income and Losses Not Included in Net Earnings From Self-Employment*).

7. Income of certain crew members of fishing vessels with crews of normally fewer than 10 people. See chapter 10 of Pub. 334 for details.

8. Fees as a state or local government employee if you were paid only on a fee

basis and the job was not covered under a federal-state social security coverage agreement.

9. Interest received in the course of any trade or business, such as interest on notes or accounts receivable.

10. Fees and other payments received by you for services as a director of a corporation.

11. Recapture amounts under sections 179 and 280F that you included in gross income because the business use of the property dropped to 50% or less. Do not include amounts you recaptured on the disposition of property. See Form 4797.

12. Fees you received as a professional fiduciary. This may also apply to fees paid to you as a nonprofessional fiduciary if the fees relate to active participation in the operation of the estate's business, or the management of an estate that required extensive management activities over a long period of time.

13. Gain or loss from section 1256 contracts or related property by an options or commodities dealer in the normal course of dealing in or trading section 1256 contracts.

## Income and Losses Not Included in Net Earnings From Self-Employment

1. Salaries, fees, etc., subject to social security or Medicare tax that you received for performing services as an employee, including services performed as an employee under the railroad retirement system. This includes services performed as a public official (except as a fee basis government employee as explained in item 8 under *Other Income and Losses Included in Net Earnings From Self-Employment*, earlier).

2. Fees received for services performed as a notary public. If you had no other income subject to SE tax, enter "Exempt—Notary" on Form 1040, line 56. Do not file Schedule SE. However, if you had other net earnings of \$400 or more subject to SE tax, enter "Exempt—Notary" and the amount of your net profit as a notary public from Schedule C or Schedule C-EZ on the dotted line to the left of Schedule SE, line 3. Subtract that amount from the total of lines 1a, 1b, and 2, and enter the result on line 3.

3. Income you received as a retired partner under a written partnership plan that provides for lifelong periodic retirement payments if you had no other interest in the partnership and did not perform services for it during the year.

4. Income from real estate rentals if you did not receive the income in the course of a trade or business as a real estate dealer. Report this income on Schedule E.

5. Income from farm rentals (including rentals paid in crop shares) if, as landlord, you did not materially participate in the

production or management of the production of farm products on the land. See chapter 12 of Pub. 225 for details. Report this income on Form 4835. Use two Forms 4835 if you and your spouse made an election to be taxed as a qualified joint venture.

6. Payments you receive from the Conservation Reserve Program if you are receiving social security benefits for retirement or disability. Deduct these payments on line 1b of Schedule SE.

7. Dividends on shares of stock and interest on bonds, notes, etc., if you did not receive the income in the course of your trade or business as a dealer in stocks or securities.

8. Gain or loss from:

a. The sale or exchange of a capital asset;

b. The sale, exchange, involuntary conversion, or other disposition of property unless the property is stock in trade or other property that would be includible in inventory, or held primarily for sale to customers in the ordinary course of the business; or

c. Certain transactions in timber, coal, or domestic iron ore.

9. Net operating losses from other years.

10. Termination payments you received as a former insurance salesperson if all of the following conditions are met.

a. The payment was received from an insurance company because of services you performed as an insurance salesperson for the company.

b. The payment was received after termination of your agreement to perform services for the company.

c. You did not perform any services for the company after termination and before the end of the year in which you received the payment.

d. You entered into a covenant not to compete against the company for at least a 1-year period beginning on the date of termination.

e. The amount of the payment depended primarily on policies sold by or credited to your account during the last year of the agreement, or the extent to which those policies remain in force for some period after termination, or both.

f. The amount of the payment did not depend to any extent on length of service or overall earnings from services performed for the company (regardless of whether eligibility for the payment depended on length of service).

## Statutory Employee Income

If you were a statutory employee, do not include the net profit or (loss) from Schedule C, line 31 (or the net profit from Schedule C-EZ, line 3), on Short or Long Schedule SE, line 2. But if you file Long Schedule SE, be sure to include statutory

employee social security wages and tips from Form W-2 on line 8a.

## Optional Methods

### How Can the Optional Methods Help You

**Social security coverage.** The optional methods may give you credit toward your social security coverage even though you have a loss or a small amount of income from self-employment.

**Earned income credit (EIC).** Using the optional methods may qualify you to claim the EIC or give you a larger credit if your net earnings from self-employment (determined without using the optional methods) are less than \$4,480. Figure the EIC with and without using the optional methods to see if the optional methods will benefit you.

**Additional child tax credit.** Using the optional methods may qualify you to claim the additional child tax credit or give you a larger credit if your net earnings from self-employment (determined without using the optional methods) are less than \$4,480. Figure the additional child tax credit with and without using the optional methods to see if the optional methods will benefit you.

**Child and dependent care credit.** The optional methods may help you qualify for this credit or give you a larger credit if your net earnings from self-employment (determined without using the optional methods) are less than \$4,480. Figure this credit with and without using the optional methods to see if the optional methods will benefit you.

**Self-employed health insurance deduction.** The optional methods of computing net earnings from self-employment may be used to figure your self-employed health insurance deduction.



*Using the optional methods may give you the benefits described above, but they may also increase your SE tax.*

## Changing Your Method

You can change the method after you file your return. That is, you can change from the regular to the optional method or from the optional to the regular method. To do this, file Form 1040X.

## Farm Optional Method

You may use this method to figure your net earnings from farm self-employment if your gross farm income was \$6,720 or less or your net farm profits were less than \$4,851. Net farm profits are:

- The total of the amounts from Schedule F (Form 1040), line 34, and Schedule K-1 (Form 1065), box 14, code A, minus
- The amount you would have entered on Schedule SE, line 1b, had you not used the optional method.

There is no limit on how many years you can use this method.

Under this method, report in Part II, line 15, two-thirds of your gross farm income, up to \$4,480, as your net earnings. This method can increase or decrease your net earnings from farm self-employment even if the farming business had a loss.

For a farm partnership, figure your share of gross income based on the partnership agreement. With guaranteed payments, your share of the partnership's gross income is your guaranteed payments plus your share of the gross income after it is reduced by all guaranteed payments made by the partnership. If you were a limited partner, include only guaranteed payments for services you actually rendered to or on behalf of the partnership.

## Nonfarm Optional Method

You may be able to use this method to figure your net earnings from nonfarm self-employment if your net nonfarm profits were less than \$4,851 and also less than 72.189% of your gross nonfarm income. Net nonfarm profits are the total of the amounts from:

- Schedule C (Form 1040), line 31,
- Schedule C-EZ (Form 1040), line 3,
- Schedule K-1 (Form 1065), box 14, code A (from other than farm partnerships), and
- Schedule K-1 (Form 1065-B), box 9, code J1.

To use this method, you also must be regularly self-employed. You meet this requirement if your actual net earnings from self-employment were \$400 or more in 2 of the 3 years preceding the year you use the nonfarm optional method. The net earnings of \$400 or more could be from either farm or nonfarm earnings or both. The net earnings include your distributive share of partnership income or loss subject to SE tax.

Use of the nonfarm optional method from nonfarm self-employment is limited to 5 years. The 5 years do not have to be consecutive.

Under this method, report in Part II, line 17, two-thirds of your gross nonfarm income, up to the amount on line 16, as your net earnings. But you cannot report less than your actual net earnings from nonfarm self-employment.

Figure your share of gross income from a nonfarm partnership in the same manner as a farm partnership. See *Farm Optional Method* for details.

## Using Both Optional Methods

If you can use both methods, you can report less than your total actual net earnings from farm and nonfarm self-employment, but you cannot report less than your actual net earnings from nonfarm self-employment alone.

If you use both methods to figure net earnings, you cannot report more than \$4,480 of net earnings from self-employment.

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## Where Do You File?

Mail your return to the address shown below that applies to you. If you want to use a private delivery service, see *Private Delivery Services* under *Filing Requirements*, earlier.



*Envelopes without enough postage will be returned to you by the post office. Your envelope may need additional postage if it contains more than five pages or is oversized (for example, it is over 1/4" thick). Also, include your complete return address.*

IF you live in...	THEN use this address if you:	
	Are not enclosing a check or money order...	Are enclosing a check or money order...
Alabama, Georgia, North Carolina, South Carolina	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002	Internal Revenue Service P.O. Box 105017 Atlanta, GA 30348-5017
Florida, Louisiana, Mississippi, Texas	Department of the Treasury Internal Revenue Service Austin, TX 73301-0002	Internal Revenue Service P.O. Box 1214 Charlotte, NC 28201-1214
Alaska, Arizona, California, Colorado, Hawaii, Nevada, Oregon, Washington	Department of the Treasury Internal Revenue Service Fresno, CA 93888-0002	Internal Revenue Service P.O. Box 7704 San Francisco, CA 94120-7704
Arkansas, Idaho, Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Montana, Nebraska, New Mexico, North Dakota, Ohio, Oklahoma, South Dakota, Utah, Wisconsin, Wyoming	Department of the Treasury Internal Revenue Service Fresno, CA 93888-0002	Internal Revenue Service P.O. Box 802501 Cincinnati, OH 45280-2501
Kentucky, Tennessee, Missouri, New Jersey, Virginia, West Virginia	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002	Internal Revenue Service P.O. Box 970011 St. Louis, MO 63197-0011
Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New York, Pennsylvania, Rhode Island, Vermont	Department of the Treasury Internal Revenue Service Kansas City, MO 64999-0002	Internal Revenue Service P.O. Box 37008 Hartford, CT 06176-0008
A foreign country, U.S. possession or territory*, or use an APO or FPO address, or file Form 2555, 2555-EZ, or 4563, or are a dual-status alien	Department of the Treasury Internal Revenue Service Austin, TX 73301-0215	Internal Revenue Service P.O. Box 1303 Charlotte, NC 28201-1303

\*If you live in American Samoa, Puerto Rico, Guam, the U.S. Virgin Islands, or the Northern Mariana Islands, see Pub. 570.